



## **PUBLIC DISCLOSURE**

June 9, 2025

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

First Federal Savings & Loan Association of Bath  
Charter Number (Charter #703786)

125 Front St.  
Bath, ME 04530

Office of the Comptroller of the Currency

75 Federal St.  
Suite 805  
Boston, MA 02110

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

**Table of Contents**

Overall Community Reinvestment Act (CRA) Rating ..... 1  
Description of Institution..... 2  
Scope of the Evaluation..... 3  
Discriminatory or Other Illegal Credit Practices Review..... 5  
State Ratings  
    State of Maine (ME)..... 6  
Appendix A: Scope of Examination..... A-1  
Appendix B: Summary of State Ratings..... B-1  
Appendix C: Definitions and Common Abbreviations..... C-1  
Appendix D: Tables of Performance Data..... D-1

## Overall CRA Rating

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

**The Lending Test is rated: Outstanding.**

The major factors that support this rating include:

- The Lending Test rating is based on First Federal Savings and Loan Association ("First FS & LA of Bath" or "the bank") record of performance in meeting the credit needs of its Maine-based assessment area (AA) during the CRA evaluation period of January 1, 2021, through December 31, 2023.
- First FS & LA of Bath's Lending Test rating is based on a combination of the ratings of Bath's two full-scope (FS) ME rating areas which comprise the entirety of the bank's delineated AA, specifically the full scope Portland-South Portland, ME Metropolitan Statistical Area (MSA) (#38860) and the full scope ME non-MSA (#99999) ratings areas.
- Considering the institution's size, financial condition, and credit needs of the AA, the bank's average loan-to-deposit ratio for the 12 quarters since the previous performance evaluation loan-to-deposit analysis is considered reasonable. When compared with a custom peer group, the loan-to-deposit ratio is lower than the average. However, the bank experienced higher than usual deposits during the evaluation period and strategically chose not to compete with lower loan rate of its competitors.
- During the evaluation period, a substantial majority of the bank's primary product lending activity occurred within its delineated ME AAs.
- The bank exhibits an excellent geographic distribution of loans in the AA.
- The bank exhibits an excellent distribution of loans to individuals of different income levels
- There were no CRA related complaints received by the bank or the Office of the Comptroller of the Currency (OCC) during the evaluation period.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit ratio is reasonable.

The quarterly average loan-to-deposit ratio was 78.3 percent for the 12 quarters from January 1, 2021, to December 31, 2023, with a low of 67.5 percent and a high of 94.9 percent. The lowest loan-to-deposit ratios were noted in 2021 and 2022 that reflected a higher than usual influx of deposits from the COVID-19 fiscal stimulus and the Paycheck Protection Program (PPP). Due to the bank's strategic decision to not compete with lower loan interest rates, the loan-to-deposit ratio was at a historically lower percentage during the evaluation period. However, management attested that the loan-to-deposit ratio has since normalized.

To assess the bank's performance, we compared the bank's average loan-to-deposit ratio to a custom peer group of local Federal Deposit Insurance Corporation (FDIC) insured financial institutions. The peer group included federally and state-chartered institutions. The standard peer banks had branches located in Sagadahoc, Lincoln, and Cumberland counties, with asset sizes ranging from \$1.4 billion to \$2.9 billion. Due to these banks being larger institutions, we included banks with similar asset sizes ranging from \$93.9 million to \$659.7 million, located in Maine, to give a more realistic peer group comparison. The bank's loan-to-deposit ratio is lower compared to the weighted average of other peer

institutions, where the comparable loan-to-deposit ratio ranged from 65.1 to 112.7 percent. Competition from significantly larger institutions is high within the AA; however, the bank’s loan-to-deposit ratio is lower compared to other institutions of similar geographic location, regardless of asset size. The average loan-to-deposit ratios for peer banks were 69.4, 76.9, 79.0, 95.3, 97.1, 99.9, and 104.0 percent.

### Lending in Assessment Area

For the evaluation period of January 1, 2021, through December 31, 2023, a substantial majority of the bank’s loans were inside its AAs.

The bank originated and purchased 86.3 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	334	86.30	53	13.70	387	68,303	88.07	9,253	11.93	77,556
<b>Total</b>	<b>334</b>	<b>86.30</b>	<b>53</b>	<b>13.70</b>	<b>387</b>	<b>68,303</b>	<b>88.07</b>	<b>9,253</b>	<b>11.93</b>	<b>77,556</b>

*Source: 1/1/2021 - 12/31/2023 Bank Data.  
Due to rounding, totals may not equal 100.0%*

### Description of Institution

First Federal Savings and Loan Association (First FS & LA) of Bath is a federally chartered mutual institute, founded in 1935. As of December 31, 2023, the bank reported total assets of \$179.1 million. The bank does not maintain any operating subsidiaries or affiliate relationships. The bank’s main office is located at 125 Front Street in Bath, ME, with four other full-service branches serving the Sagadahoc, Lincoln, and portions of Cumberland Counties. Specifically, these other branches are in Bath, Damariscotta, Boothbay Harbor, and Wiscasset, ME. There were no branch closings and mergers or acquisitions during the evaluation period. However, the 55 Congress Avenue branch relocated nearby to 45 Congress Avenue in Bath, ME due to the branch moving from a leased building to one that the bank built and owns. The bank’s headquarter is located in a moderate-income tract and the Congress Avenue branch in Bath and the Damariscotta and Wiscasset branches are located in the middle-income tract. The remaining Boothbay Harbor branch is located in the upper-income tract.

First FS & LA of Bath offers traditional deposit and lending products for personal and commercial lines of business. Checking and savings accounts are available, including overdraft protection services. Customers can also invest in certificate of deposits (CDs), Individual Retirement Accounts (IRAs), and money market accounts. The bank offers both residential and commercial loans. A full listing of available products and services are available at [www.firstfederalbath.com](http://www.firstfederalbath.com). Delivery channels include in-person means, over the phone, mobile, and online applications. Available office/lobby and drive-up window hours are Monday to Thursday, 9am to 4pm; and on Friday, from 9am to 5pm. The Congress Avenue and Wiscasset branches are opened on Saturdays from 9am to 12pm.

The bank’s rating area consists of a single delineated AA that is subdivided into two full-scope rating areas: the full-scope Portland-South Portland, ME MSA rating area and the full-scope ME non-MSA rating area. The full-scope Portland-South Portland, ME MSA rating area consists of 17 census tracts, including four moderate-, ten middle-, two upper-, and one unassigned-income census tract, as of the

2020 Census. The full-scope ME non-MSA AA rating area consists of a total of ten census tracts, including six middle-, three moderate-, and an unassigned income census tract classification as of the 2020 Census update. The bank’s full-scope ME AA and full-scope ME non-MSA rating areas did not contain any low-income census tracts. Therefore, an assessment of the bank’s geographic distribution of loans among the low-income geographies was not performed, as any such analysis would not be considered significant.

The primary lending product is one- to four-family residential mortgage loans. However, the bank also originates commercial loans including commercial real estate, multi-family mortgage loans, and commercial business loans.

As of December 31, 2023, the bank reported total assets of \$179.1 million, total deposits of \$140.3 million, and tier 1 capital of \$26.0 million. The net loan portfolio totaled \$135.0 million, or 75.4 percent of total assets.

The table below provides a summary of the loan mix, as of December 31, 2023:

Loan Portfolio Summary by Loan Product December 31, 2023	
Loan Category	% of Gross Loans and Leases
1-4 Family Residential Mortgage – Closed End	81.9
Commercial Real Estate	6.9
Construction & Development	4.8
Home Equity	3.3
Commercial & Industrial	1.3
Multifamily	0.7
Agricultural/Farm Loans	<1
Consumer Loans	<1
Total	100.0

*Source: Federal Deposit Insurance Corporation Call Report, December 31, 2023. Due to rounding, totals may not equal 100.0%*

The bank has no financial or legal impediments in meeting the credit needs of the AA. The bank was rated “Outstanding” during the previous CRA performance evaluation dated March 23, 2020.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

First FS & LA of Bath was evaluated using Small Bank procedures, which assess the bank’s performance in accordance with the CRA under the Lending Test components. The Lending Test evaluates a bank’s record of helping to meet the credit needs of the community through the bank’s origination and purchase of loans during the evaluation period. The evaluation period for the Lending Test is January 1, 2021, through December 31, 2023.

Due to updates made to demographic information during the evaluation period stemming from the 2020 Census, the bank’s lending activity during January 1, 2021, to December 31, 2021, was assessed separate from lending activity during January 1, 2022, to December 31, 2023. Amongst the two periods,

consideration was first assigned to the bank's lending activity during 2022-2023, as these two years contained the majority of bank lending activity when compared to 2021. For the geographic and borrower distribution analyses, loans originated during the 2021 evaluation year were compared to the 2010 Census, while loans originated during the 2022-2023 evaluation years were compared to the 2020 Census.

Considerations for the bank's lending performance included the bank's primary product type, specific to residential mortgage loans as reported in the bank's Loan Application Register. Residential mortgage loans are the bank's primary product type. During the evaluation period, home mortgages accounted for 79.4 percent of the bank's portfolio, by number, while commercial loans represented 20.6 percent.

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

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA), if applicable are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

The MMSA rating and state ratings in rating areas with a single AA are based on performance in that AA. The MMSA and state ratings in rating areas with multiple AAs are based on the weighted-average conclusions in those AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

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

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

## State Rating

### State of Maine

**CRA rating for the State of Maine:** Outstanding

**The Lending Test is rated:** Outstanding

The major factors that support this rating include:

- The bank exhibits an excellent geographic distribution of loans in the State of Maine. The assessment of First FS & LA of Bath's geographic distribution of loans was limited to the bank's performance among moderate-income census tracts in the full-scope Portland-South Portland, ME, MSA (#38860) AA rating area, where the bank exhibited excellent performance.
- The bank exhibited an excellent borrower distribution of loans to individuals of different income levels in the State of Maine, given the product lines offered, in both full-scope AA rating areas.
- There were no CRA related complaints received by the bank or the OCC during the evaluation period.

### Description of Institution's Operations in Maine

The State of Maine represents First FS & LA of Bath's primary area of operations. As previously discussed, the bank's rating area consists of a single delineated AA that is subdivided into two full-scope rating areas, the full scope Portland-South Portland, ME MSA rating area, and the full-scope ME non-MSA rating area. The 2022-2023 full-scope Portland-South Portland, ME MSA rating area consists of a total of 17 census tracts, including four moderate-, ten middle-, two upper-, and one unassigned-income census tract, as of the 2020 Census update. The full-scope ME non-MSA AA rating area consists of a total of ten census tracts, including six middle-, three moderate-, and an unassigned income census tract classification as of the 2020 Census update. The bank's full-scope ME AA and full-scope ME non-MSA rating areas did not contain any low-income census tracts.

Moody's Analytics report dated September 2023 showed a stagnant economic status of the Portland-South Portland, ME. Job growth is now below that of the Northeast and the U.S. The jobless rate has fallen below its pre-pandemic rate, despite upward pressure from labor force gains. The size of the labor force remains smaller than pre-crisis levels. While the housing growth has slowed, house price appreciation is well ahead of the national rate. It is expected that the Portland-South Portland's economy will moderate in the near term and manufacturing will add stability to the area.

Due to census updates, First FS & LA of Bath experienced some changes to the classification of AA geographies, which was considered as part of our consideration of the bank's performance under the CRA. Specifically, for the 2021 evaluation period, the rating area contained 15 census tracts, including three moderate-, eleven middle-, and one unassigned-income census tract, as of the 2010 Census. There were no low- and upper-income census tracts. For the 2022-2023 evaluation period, the rating area contained 17 census tracts, including four moderate-, ten middle-, two upper-, and one unassigned-income census tract, as of the 2020 Census.

First FS & LA of Bath's primary focus is originating home mortgages. The bank faces significant competition for deposits and home mortgage lending in the AA. FDIC deposit market share for June 30,

2023, shows First FS & LA of Bath ranking 16 among 21 deposit-taking institutions in the AA. The top five institutions represented 63.2 percent of the market. Leading competitors for deposits in the Cumberland and Sagadahoc counties include TD Bank, N.A., Bank of America, N.A., KeyBank, N.A., Northeast Bank, and Gorham Savings Bank. For lending, First FS & LA of Bath is ranked sixth among 146 institutions, representing 3.34 percent of the market share. The top five institutions represented 32.6 percent of the market. Leading competitors for loans in the Portland-South Portland, ME MSA, include Bath Savings Institution, Atlantic Federal Credit Union, Bangor Savings Bank, United Wholesale Mortgage, and The Camden National Bank.

We supplemented our assessment of the economic condition and demographic characteristics, by referencing an interview conducted in April 2025 with a representative from Avesta Housing. Avesta Housing's purpose is to provide safe, affordable homes and support services to individuals and families in need, throughout Maine and New Hampshire. Established in 1972, Avesta Housing's portfolio includes 102 properties, 3,109 apartment units, and operates in 41 cities and towns.

The representative reported the impact of frozen government funding, coupled with an increase in interest rates, that has impeded the organization's ability to offer refinancing. On the demographic side, the representative described Portland, ME as having issues regarding immigration, homelessness, mental health, and substance abuse, which has put a strain on the systems within Maine. The representative attributed the increase in homelessness to the lingering effects of the pandemic, poor financial conditions, and the decline in mental health resources. The contact noted that the pandemic significantly impacted people's income, and although rental assistance was offered at the time, assistance has dried up since then.

The greatest opportunity for local financial institutions is affordable housing. Avesta Housing expressed a good relationship with local banks, specifying strong ties with smaller, community banks. The organization has not had any issues with credit ability or unfair rates and added that local banks have been generous fundraising contributors. The contact noted the donation of land, money, and time were important to the organization.

## Full Scope Portland-South Portland ME MSA AA

Assessment Area(s) - FS Portland-South Portland 2021						
						2021
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	15	0.00	20.00	73.33	0.00	6.67
Population by Geography	60,285	0.00	20.94	79.06	0.00	0.00
Housing Units by Geography	31,695	0.00	20.01	79.99	0.00	0.00
Owner-Occupied Housing by Geography	18,884	0.00	18.34	81.66	0.00	0.00
Occupied Rental Units by Geography	6,887	0.00	31.89	68.11	0.00	0.00
Vacant Units by Geography	5,924	0.00	11.55	88.45	0.00	0.00
Businesses by Geography	2,539	0.00	23.99	76.01	0.00	0.00
Farms by Geography	115	0.00	17.39	82.61	0.00	0.00
Family Distribution by Income Level	16,007	24.07	18.10	21.49	36.33	0.00
Household Distribution by Income Level	25,771	26.17	17.20	17.95	38.69	0.00
Unemployment rate (%)	5.71	0.00	6.34	5.56	0.00	0.00
Households Below Poverty Level (%)	10.86	0.00	18.04	8.84	0.00	0.00
Median Family Income (38860 - Portland-South Portland, ME MSA)		\$74,701		Median Housing Value		\$199,200
Median Family Income (38860 - Portland-South Portland, ME MSA) for 2021		\$93,300		Median Gross Rent		\$830
				Families Below Poverty Level		8.65

FFIEC File - 2010 Census  
 2021 Dun & Bradstreet SBSF Demographics  
 Due to rounding, totals may not equal 100.0%  
 (\*) The NA category consists of geographies that have not been assigned an income classification

Assessment Area(s) - FS Portland-South Portland						
						2022 - 2023
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	17	0.00	23.53	58.82	11.76	5.88
Population by Geography	63,486	0.00	23.15	64.80	12.05	0.00
Housing Units by Geography	32,310	0.00	22.10	69.58	8.32	0.00
Owner-Occupied Housing by Geography	19,878	0.00	18.34	71.03	10.63	0.00
Occupied Rental Units by Geography	6,823	0.00	38.28	55.83	5.89	0.00
Vacant Units by Geography	5,609	0.00	15.78	81.14	3.08	0.00
Businesses by Geography	2,416	0.00	32.86	59.89	7.24	0.00
Farms by Geography	106	0.00	23.58	69.81	6.60	0.00
Family Distribution by Income Level	16,744	19.77	18.93	26.42	34.88	0.00
Household Distribution by Income Level	26,701	24.55	17.67	19.96	37.83	0.00
Unemployment rate (%)	4.04	0.00	3.94	4.22	3.32	0.00
Households Below Poverty Level (%)	10.64	0.00	13.82	9.89	8.07	0.00
Median Family Income (38860 - Portland-South Portland, ME MSA)		\$89,988		Median Housing Value		\$233,400
Median Family Income (38860 - Portland-South Portland, ME MSA) for 2023		\$108,500		Median Gross Rent		\$957
				Families Below Poverty Level		7.01

FFIEC File - 2020 Census  
 2023 Dun & Bradstreet SBSF Demographics  
 Due to rounding, totals may not equal 100.0%  
 (\*) The NA category consists of geographies that have not been assigned an income classification

## Full Scope ME non-MSA AA

Assessment Area(s) - FS ME non-MSA 2021						
						2021
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.00	0.00	50.00	40.00	10.00
Population by Geography	34,156	0.00	0.00	62.39	37.61	0.00
Housing Units by Geography	23,602	0.00	0.00	52.08	47.92	0.00
Owner-Occupied Housing by Geography	11,822	0.00	0.00	57.49	42.51	0.00
Occupied Rental Units by Geography	3,054	0.00	0.00	68.01	31.99	0.00
Vacant Units by Geography	8,726	0.00	0.00	39.17	60.83	0.00
Businesses by Geography	1,421	0.00	0.00	56.37	43.63	0.00
Farms by Geography	122	0.00	0.00	56.56	43.44	0.00
Family Distribution by Income Level	9,418	16.09	16.16	20.24	47.52	0.00
Household Distribution by Income Level	14,876	19.36	15.39	16.57	48.68	0.00
Unemployment rate (%)	4.22	0.00	0.00	3.70	5.09	0.00
Households Below Poverty Level (%)	12.50	0.00	0.00	14.23	9.93	0.00
Median Family Income (Non-MSAs - ME)		\$54,862			Median Housing Value	\$231,750
Median Family Income (Non-MSAs - ME) for 2021		\$63,600			Median Gross Rent	\$823
					Families Below Poverty Level	7.86

FFIEC File - 2010 Census  
 2021 Dun & Bradstreet SBSF Demographics  
 Due to rounding, totals may not equal 100.0%  
 (\*) The NA category consists of geographies that have not been assigned an income classification

Assessment Area(s) - FS ME non-MSA						
						2022 - 2023
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.00	0.00	60.00	30.00	10.00
Population by Geography	35,237	0.00	0.00	78.65	21.35	0.00
Housing Units by Geography	24,073	0.00	0.00	74.35	25.65	0.00
Owner-Occupied Housing by Geography	12,319	0.00	0.00	78.65	21.35	0.00
Occupied Rental Units by Geography	3,346	0.00	0.00	79.59	20.41	0.00
Vacant Units by Geography	8,408	0.00	0.00	65.96	34.04	0.00
Businesses by Geography	1,465	0.00	0.00	71.60	28.40	0.00
Farms by Geography	119	0.00	0.00	73.95	26.05	0.00
Family Distribution by Income Level	9,680	13.56	17.18	22.17	47.09	0.00
Household Distribution by Income Level	15,665	19.42	14.38	19.07	47.13	0.00
Unemployment rate (%)	3.85	0.00	0.00	4.31	2.17	0.00
Households Below Poverty Level (%)	11.02	0.00	0.00	11.13	10.62	0.00
Median Family Income (Non-MSAs - ME)		\$66,193			Median Housing Value	\$248,400
Median Family Income (Non-MSAs - ME) for 2023		\$80,600			Median Gross Rent	\$833
					Families Below Poverty Level	6.50

FFIEC File - 2020 Census  
 2023 Dun & Bradstreet SBSF Demographics  
 Due to rounding, totals may not equal 100.0%  
 (\*) The NA category consists of geographies that have not been assigned an income classification

## Scope of Evaluation in Maine

We completed a full-scope review of the bank's delineated ME AA which consists of two separate full-scope AA rating areas, namely the full-scope Portland-South Portland, ME MSA (#38860) AA rating area and the full-scope ME non-MSA (#99999) AA rating area. As previously discussed, the bank's performance within the full-scope Portland-South Portland, ME MSA AA rating area was more heavily weighted when drawing final conclusions as to the bank's lending performance according to the CRA, and due to the concentration of LMI geographies within each rating area, an assessment of the bank's geographic distribution of loans among low-income census tracts in both AAs and moderate-income census tracts in the full-scope ME non-MSA AA rating area was not performed as such analyses would not be considered significant. The bank's AA delineation is considered appropriate as it meets the regulatory definition by consisting of wholly contiguous political subdivisions, contains all the bank's branch locations, and does not arbitrarily exclude any low- or moderate-income census tracts.

## LENDING TEST

The bank's performance under the Lending Test in Maine is rated Outstanding.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in both the full-scope Portland-South Portland, ME MSA AA rating area and the full scope ME non-MSA AA rating area were excellent.

## Distribution of Loans by Income Level of the Geography

The bank exhibited excellent geographic distribution of loans in the State.

### *Home Mortgage Loans*

Refer to Table 7 in the state of Maine section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

### **The overall geographic distribution of home mortgage loans is excellent.**

As discussed previously, both of the bank's full scope Portland-South Portland ME AA and ME non-MSA AA did not contain any low-income census tract during our evaluation period. Therefore, an assessment of the bank's geographic distribution of loans among the low-income geographies was not performed, as any such analysis would not be considered significant. Additionally, the ME non-MSA AA also did not contain any moderate-income census tract during our evaluation period; therefore an assessment of the bank's geographic distribution of loans among moderate-income geographies in this AA was not performed, as such an analysis would not be considered meaningful.

### *Full-Scope Portland-South Portland, ME MSA (#38860) AA Rating Area*

The geographic distribution of home mortgage loans in the FS PSP ME MSA is excellent, given performance context.

2021

The geographic distribution of home mortgage loans is excellent.

The AA does not include any low-income geographies. The percentage of home mortgage loans in moderate-income geographies exceeded both the percentage of owner-occupied units in those geographies and aggregate lending in the AA.

### 2022-2023

The geographic distribution of home mortgage loans is satisfactory.

The AA does not include any low-income geographies. The percentage of home mortgage loans in moderate-income geographies exceeded the percentage of owner-occupied units in those geographies but was below aggregate lending in the AA. The 2020 census data increased the moderate-income tract by one and reflected slightly more opportunities to lend in the moderate-income tracts, given the higher number of owner-occupied homes and population.

### *Full Scope ME non-MSA (#99999) AA Rating Area*

An assessment of the bank's geographic distribution of home mortgage loans in the full-scope ME non-MSA AA was not performed as such analysis would not be considered meaningful due to the AA not containing any low- or moderate-income census tracts during our evaluation period of January 1, 2021, through December 31, 2023.

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

We reviewed demographic summary data and mapping reports to identify any gaps in the geographic distribution of the bank's home mortgage loans in the AAs during the evaluation period. The analysis did not identify any unexplained or conspicuous gaps, given performance context.

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

The bank exhibited an excellent distribution of loans to individuals of different income levels given the product lines offered by the bank.

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

Refer to Table 8 in the state of Maine section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

**The overall borrower distribution of home mortgage loans is excellent.**

### *Full Scope Portland-South Portland, ME MSA (#38860) AA Rating Area*

The borrower distribution of home mortgage loans in the FS PSP ME MSA is excellent.

### 2021

The borrower distribution of home mortgage loans is excellent.

The percentage of home mortgage loans to low-income borrowers was below the percentage of low-income families but exceeded the aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of both the moderate-income families and aggregate lending in the AA.

Demographics show that there were 8.7 percent of families below poverty level in the AA during 2021. The median income for 2021 was \$93,300, with low-income borrowers earning less than \$46,650, a year. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of \$1,166.3 for low-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the \$199,200 median housing value would be \$1,166.3, which would be breakeven for low-income borrowers. Considering additional costs may be challenging and limit lending opportunities for low-income families, which is reflected by lower aggregate lending compared to demographics.

### 2022-2023

The borrower distribution of home mortgage loans is excellent.

The percentage of home mortgage loans to low-income borrowers was below the percentage of low-income families and exceeded the aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of both the moderate-income families and aggregate lending in the AA.

Demographics show that there were 7.01 percent of families below poverty level in the AA during 2022-2023. The median income for 2023 was \$108,500, with low-income borrowers earning less than \$46,650, a year. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of \$1,356.25 for low-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the \$233,400 median housing value would be \$1,252.94, which gives the low-income borrower a buffer of just \$103.31. Considering additional costs may be challenging and limit lending opportunities for low-income families, which is reflected by lower aggregate lending compared to demographics.

### *Full Scope ME non-MSA (#99999) AA Rating Area*

The borrower distribution of home mortgage loans is excellent.

### 2021

The borrower distribution of home mortgage loans is excellent.

The percentage of home mortgage loans to low-income borrowers approximated the percentage of low-income families and exceeded the aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of both the moderate-income families and aggregate lending in the AA.

2022-2023

The borrower distribution of home mortgage loans is excellent.

The percentage of home mortgage loans to low-income borrowers was below the percentage of low-income families and exceeded the aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of both the moderate-income families and aggregate lending in the AA.

### **Responses to Complaints**

The bank was not subject to any CRA related complaints during the evaluation period.

## 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 MSAs and non-MSAs 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>	(01/01/2021 to 12/31/2023)	
<b>Bank Products Reviewed:</b>	Home mortgage loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Maine</b>		
FS Portland-South Portland, ME MSA (#38860) AA	Full-scope	Portland-South Portland, ME MSA (#38860) Full Sagadahoc County (#023) Portions of Cumberland County (#005) Brunswick and Harpswell
FS ME non-MSA (#99999) AA	Full-scope	ME non-MSA (#99999) Full Lincoln County (#15)

## Appendix B: Summary of State Ratings

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RATINGS	
Overall Bank:	Lending Test Rating
First Federal Savings & Loan Association of Bath	Outstanding
State:	
Maine	Outstanding

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

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

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**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-Scope 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 CD loans and qualified investments, branch distribution, and CD services).

**Low-Income:** Individual income that is at 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 state/AA.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5

million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

**Multistate Metropolitan Statistical Area (MMSA):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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.

**Prior Period Investments:** Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

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

**Rating Area:** A rated area is a state or multistate metropolitan statistical 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 multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan statistical area.

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

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

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Unfunded Commitments:** Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**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.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of 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 are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table 7. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.

**Table 8. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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 MMSA/AA. The table also presents aggregate peer data for the years the data is available.

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total Number	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	
FS ME non-MSA 2021	50	9,510	44.64	1,901	--	--	--	--	--	--	57.49	48.00	56.23	42.51	52.00	43.77	--	--	--	
FS Portland-South Portland 2021	62	11,300	55.36	3,409	--	--	--	18.34	22.58	17.86	81.66	77.42	82.14	--	--	--	--	--	--	
<b>Total</b>	<b>112</b>	<b>20,810</b>	<b>100.00</b>	<b>5,310</b>	--	--	--	<b>11.28</b>	<b>12.50</b>	<b>11.47</b>	<b>72.35</b>	<b>64.29</b>	<b>72.86</b>	<b>16.37</b>	<b>23.21</b>	<b>15.67</b>	--	--	--	

Source: FFIEC File - 2010 Census; 1/1/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2022 - 2023
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total Number	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	
FS ME non-MSA	106	22,118	47.75	2,108	--	--	--	--	--	--	78.65	77.36	78.84	21.35	22.64	21.16	--	--	--	
FS Portland-South Portland	116	25,375	52.25	3,456	--	--	--	18.34	18.97	23.23	71.03	80.17	68.32	10.63	0.86	8.45	--	--	--	
<b>Total</b>	<b>222</b>	<b>47,493</b>	<b>100.00</b>	<b>5,564</b>	--	--	--	<b>11.32</b>	<b>9.91</b>	<b>14.43</b>	<b>73.95</b>	<b>78.83</b>	<b>72.30</b>	<b>14.73</b>	<b>11.26</b>	<b>13.26</b>	--	--	--	

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
FS ME non-MSA 2021	50	9,510	44.64	1,901	16.09	16.00	3.73	16.16	20.00	12.89	20.24	16.00	20.09	47.52	46.00	51.71	--	2.00	11.57
FS Portland-South Portland 2021	62	11,300	55.36	3,409	24.07	19.35	8.80	18.10	38.71	21.56	21.49	19.35	22.82	36.33	20.97	32.24	--	1.61	14.58
<b>Total</b>	<b>112</b>	<b>20,810</b>	<b>100.00</b>	<b>5,310</b>	<b>21.11</b>	<b>17.86</b>	<b>6.99</b>	<b>17.38</b>	<b>30.36</b>	<b>18.46</b>	<b>21.03</b>	<b>17.86</b>	<b>21.85</b>	<b>40.48</b>	<b>32.14</b>	<b>39.21</b>	<b>--</b>	<b>1.79</b>	<b>13.50</b>

Source: FFIEC File - 2010 Census; 1/1/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022 - 2023
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
FS ME non-MSA	106	22,118	47.75	2,108	13.56	10.38	5.17	17.18	17.92	14.71	22.17	22.64	21.54	47.09	47.17	49.67	--	1.89	8.92
FS Portland-South Portland	116	25,375	52.25	3,456	19.77	15.52	8.91	18.93	26.72	22.14	26.42	27.59	22.66	34.88	21.55	35.71	--	8.62	10.59
<b>Total</b>	<b>222</b>	<b>47,493</b>	<b>100.00</b>	<b>5,564</b>	<b>17.50</b>	<b>13.06</b>	<b>7.49</b>	<b>18.29</b>	<b>22.52</b>	<b>19.32</b>	<b>24.86</b>	<b>25.23</b>	<b>22.23</b>	<b>39.35</b>	<b>33.78</b>	<b>41.00</b>	<b>--</b>	<b>5.41</b>	<b>9.96</b>

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%