

PUBLIC DISCLOSURE

September 20, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bangor Savings Bank
Certificate Number: 18408

24 Hamlin Way
Bangor, Maine 04401

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, New York 10118

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

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INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Outstanding**.

An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			
<i>* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.</i>			

The Lending Test is rated Outstanding.

- Lending levels reflect excellent responsiveness to assessment area credit needs.
- The institution originated a high percentage of loans within its assessment areas.
- The geographic distribution of loans reflects excellent penetration throughout the assessment areas.
- The distribution of 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.
- The institution makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The institution is a leader in making community development loans.

The Investment Test is rated Outstanding.

- The institution has an excellent level of qualified community development, investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits excellent responsiveness to credit and community economic development needs.
- The institution makes significant use of innovative and/or complex investments to support community development initiatives.

The Service Test is rated Low Satisfactory.

- Delivery systems are accessible to essentially all portions of the institution's assessment areas.
- To the extent changes have been made, the institution's opening and closing of branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The institution provides an adequate level of community development services.

DESCRIPTION OF INSTITUTION

Bangor Savings Bank, headquartered in Bangor, Maine, is a state-chartered mutual savings bank owned by Bangor Bancorp, a one-bank mutual holding company. The Bangor Savings Bank Foundation, an affiliate, is a charitable foundation created for charitable contributions. The bank established Bangor Wealth Management of New Hampshire in May 2021 as a subsidiary, but it does not engage in retail banking activities. Bangor Savings Bank received an Outstanding rating at its previous FDIC Performance Evaluation on October 29, 2018, based on Federal Financial Institutions Examination (FFIEC) Interagency Large Bank Examination Procedures.

The bank operates 65 full-service branch offices throughout Maine and New Hampshire. During the evaluation period, Bangor Savings Bank closed 3 branches and opened or acquired 11 branches. Effective December 1, 2020, the bank acquired Damariscotta Bank and Trust, which added five branches in Knox County and Lincoln County, which are part of Maine's statewide nonmetropolitan area.

The bank offers home mortgage loans, home equity lines of credit, and consumer and business loans, with a primary focus on residential lending. The bank also offers checking, savings, and money market accounts, as well as certificates of deposit. In addition to two remote automated teller machines (ATMs) in Maine, each branch location has an ATM. The bank also offers online and mobile banking to account holders.

The following table details the bank's loan portfolio.

Loan Portfolio Distribution as of 06/30/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	127,282	3.3
Secured by Farmland	2,600	0.1
Secured by 1-4 Family Residential Properties	1,924,051	49.7
Secured by Multifamily (5 or more) Residential Properties	207,390	5.4
Secured by Nonfarm Nonresidential Properties	1,100,094	28.4
Total Real Estate Loans	3,361,417	86.9
Commercial and Industrial Loans	399,997	10.3
Agricultural Production and Other Loans to Farmers	17,502	0.5
Consumer Loans	26,423	0.7
Obligations of State and Political Subdivisions in the U.S.	17,957	0.5
Other Loans	44,249	1.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	3,867,545	100.0
<i>Source: Reports of Condition and Income</i>		

As of June 30, 2021, bank assets totaled \$6.4 billion, with total loans of \$3.9 billion and total securities of \$2.0 billion. Each of these figures increased significantly from prior evaluation levels as of June 30, 2018, with total assets increasing by 48.8 percent. The bank's acquisition of

Damariscotta Bank and Trust contributed to notable asset growth since the previous evaluation. The bank had \$5.2 million in total deposits as of June 30, 2021.

Examiners did not identify any financial, legal, or other impediments that would limit the institution's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREAS

Bangor Savings Bank designated six assessment areas, including three in Maine (ME) and three in New Hampshire (NH). In addition to an overall rating, the evaluation assigned separate ratings for bank performance in both ME and NH. The evaluation also includes separate discussions and conclusions for each of the six assessment areas, which are listed below:

- Portland-Lewiston-South Portland, ME CSA
- Bangor, ME MSA
- ME statewide nonmetropolitan area (ME Non-MSA)
- Rockingham County-Strafford County, NH MD
- NH statewide nonmetropolitan area (NH Non-MSA)
- Manchester-Nashua, NH MSA

Please see state and individual assessment area sections for additional information.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated October 29, 2018, to the current evaluation dated September 20, 2021. Examiners used Large Bank procedures to evaluate Bangor Savings Bank's CRA performance. These procedures include three tests: the Lending Test, Investment Test, and Service Test. In addition to considering all bank activities, the Investment Test also considered qualified investments made by affiliate Bangor Savings Bank Foundation.

The bank's performance in ME received significant weight in determining the overall rating. A substantial majority of the bank's loan originations, branches, and deposits are in ME. Examiners performed a full-scope review of all three ME assessment areas. The bank had significant lending, investment, and service activity, and maintained high lending and deposit market shares in each ME assessment area. The following table details loan originations, deposits, and branches by assessment area and rated area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Portland-Lewiston-South Portland, ME CSA	906,779	48.5	1,173,169	27.9	17	26.2
Bangor, ME MSA	306,874	16.4	1,561,857	37.1	11	16.9
Non-MSA	473,681	25.4	1,216,338	28.9	30	46.1
ME Subtotal	1,687,334	90.3	3,951,364	93.8	58	89.2
Rockingham County- Strafford County, NH MD	97,872	5.2	50,291	1.2	2	3.1
Manchester-Nashua, NH MSA	48,499	2.6	57,499	1.4	2	3.1
Non-MSA	34,618	1.9	152,504	3.6	3	4.6
NH Subtotal	180,989	9.7	260,294	6.2	7	10.8
Total	1,868,323	100.0	4,211,658	100.0	65	100.0

Source: 2020 Bank HMDA and CRA Data; FDIC Summary of Deposits (06/30/2020); Bank Data

Bangor Savings Bank's CRA performance in NH received much less weight than its CRA performance in ME for determining the overall rating. The bank made fewer loans and has significantly fewer branches and deposits in NH compared to ME. Examiners performed a full-scope review of the Rockingham County-Strafford County, NH MD and used limited-scope procedures for the Manchester-Nashua, NH MSA and NH Non-MSA. NH assessment areas receiving limited-scope reviews had smaller loan origination totals during the review period.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar

volume of originations during the evaluation period.

The bank's record of originating home mortgages received the most weight when determining overall Lending Test conclusions due to the higher number and dollar volume of loans made during the evaluation period compared to small business loans. Additionally, home mortgage loans, including those secured by one-to-four family or multifamily properties, account for the largest category of the bank's loan portfolio by dollar amount at 55.1 percent. The Lending Test includes the bank's 2018, 2019, and 2020 Home Mortgage Disclosure Act (HMDA)-reportable originations and purchases. The bank reported 3,886 loans totaling \$625.6 million in 2018, 4,849 loans totaling \$925.1 in 2019, and 7,901 loans totaling \$1.8 billion in 2020. Although the Assessment Area Concentration performance table includes HMDA activity from all three years, Geographic Distribution and Borrower Profile tables only reference 2019 and 2020 HMDA lending, as these years represent bank performance under these criteria for the full evaluation period.

The Lending Test also considered small business and small farm loans originated in 2019 and 2020. The previous CRA evaluation reviewed the bank's 2018 small business and small farm loans from January through June, so examiners did not evaluate 2018 lending for these products at the current evaluation. Examiners obtained information concerning small business and small farm loans from the bank's 2019 and 2020 CRA Loan Registers. For small business lending, Bangor Savings Bank made 1,181 loans totaling \$200.8 million in 2019 and 5,793 loans totaling \$580.7 million in 2020. In response to the COVID-19 pandemic, the bank originated 4,851 small business loans through the Small Business Administration's (SBA) Paycheck Protection Program (PPP), which explains the substantial increase in small business loan originations from 2019 to 2020. Examiners presented both 2019 and 2020 bank small business lending in the Assessment Area Concentration, Geographic Distribution, and Borrower Profile performance tables within the Lending Test.

For small farm lending, the bank made 23 loans totaling \$2.3 million in 2019 and 23 loans totaling \$1.5 million in 2020. The Assessment Area Concentration performance table includes small farm lending; however, due to the low volume of small farm loans and the limited percentage of such loans in the loan portfolio, other Lending Test criteria do not include an analysis of small farm loans. The limited small farm lending activity spread across multiple assessment areas does not allow for meaningful analysis of this loan type, nor does it materially affect Lending Test conclusions.

Examiners compared bank home mortgage lending to demographic data from the 2015 American Community Survey (ACS) and the corresponding year of HMDA aggregate lending data. Examiners compared the bank's 2019 and 2020 small business lending to 2019 and 2020 CRA aggregate lending and both years of small business lending to D&B business demographic data. Examiners focused on comparisons to aggregate lending data because aggregate data better represents the level of loan demand in each assessment area.

Examiners reviewed both the number and dollar volume of home mortgage and small business loans. The analysis weighed the number of originations more heavily than the dollar volume, as the number of loans more reliably indicates the number of individuals and businesses served.

Furthermore, examiners reviewed retail products and services targeted toward low- and moderate-income individuals or small businesses, delivery systems for providing retail-banking services, including branches and alternative delivery systems, and the impact of any branch openings and closings during the evaluation period. The evaluation considered community development loans, investments, and services, as well as innovative and/or flexible lending practices since the prior CRA evaluation dated October 29, 2018 through September 20, 2021.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated Outstanding. This rating is consistent with bank performance in the State of ME, but bank performance in the State of NH was below overall Lending Test performance. The following sections discuss the bank's overall performance under each criterion.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs. Excellent performance in ME primarily supports this conclusion, as lending activity performance in NH was slightly below overall performance. The following comments summarize bank lending activity in all assessment areas combined.

Home Mortgage Loans

In 2019, Bangor Savings Bank originated 4,213 loans totaling \$710.2 million in the assessment areas. The bank ranked 3rd out of 633 home mortgage lenders that reported at least one home mortgage loan originated or purchased in the combined assessment area. The institutions that ranked above Bangor Savings Bank were larger national mortgage companies.

Bangor Savings Bank originated 6,480 loans totaling \$1.3 billion in the assessment areas in 2020, reflecting a significant increase in home mortgage originations. Multiple factors contributed to the increase, including opening a second loan production office, a concentrated effort by the bank to increase home mortgage lending, and historically low interest rates. In 2020, the bank ranked 3rd out of 569 home mortgage lenders in the assessment areas, again trailing larger national mortgage companies.

Small Business Loans

The bank originated 1,143 small business loans totaling \$193.4 million in all assessment areas combined in 2019. Bangor Savings Bank ranked 12th out of 154 lenders reporting at least one small business loan in the assessment areas' full counties. The institutions ranked above the bank were mostly large national banks and credit card banks. In 2020, small business lending in the combined assessment area increased substantially to 5,623 loans totaling \$555.3 million due to the bank's significant PPP loan activity.

Assessment Area Concentration

The bank made a high percentage of loans in its combined assessment area. As the bank opened a second loan production office in Essex County, Massachusetts, this helps to explain the notable increase in home mortgages outside the combined assessment area. Additionally, the bank launched a program during the evaluation period to finance second home purchases to existing customers, which also increased lending outside the combined assessment area, predominantly in southern states. These originations typically had high loan amounts, contributing to the decreasing percentage of loans by dollar amount within the combined assessment area. The following table details bank lending inside and outside the combined assessment area by year and product type.

Lending Inside and Outside of the Combined Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	3,704	95.3	182	4.7	3,886	565,720	90.4	59,860	9.6	625,580
2019	4,213	86.9	636	13.1	4,849	710,240	76.8	214,908	23.2	925,148
2020	6,480	82.0	1,421	18.0	7,901	1,311,454	71.0	534,452	29.0	1,845,906
Subtotal	14,397	86.5	2,239	13.5	16,636	2,587,414	76.2	809,220	23.8	3,396,634
Small Business										
2019	1,143	96.8	38	3.2	1,181	193,467	96.3	7,356	3.7	200,823
2020	5,623	97.1	170	2.9	5,793	555,345	95.6	25,329	4.4	580,674
Subtotal	6,766	97.0	208	3.0	6,974	748,812	95.8	32,685	4.2	781,497
Small Farm										
2019	23	100.0	0	0.0	23	2,292	100.0	0	0.0	2,292
2020	23	100.0	0	0.0	23	1,525	100.0	0	0.0	1,525
Subtotal	46	100.0	0	0.0	46	3,817	100.0	0	0.0	3,817
Total	21,209	89.7	2,447	10.3	23,656	3,340,043	79.9	841,905	20.1	4,181,948
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the assessment areas. The bank's excellent performance in the State of ME for both home mortgage and small business lending supports this conclusion. Performance in the State of NH was below overall performance. The following comments summarize bank geographic distribution in each state.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent penetration throughout the assessment areas. The bank demonstrated excellent geographic distribution performance in the State of ME and adequate performance in the State of NH for home mortgage loans. As noted previously, bank performance in the State of ME received substantially more weight when

determining overall conclusions. Please refer to state and assessment area sections for a more detailed analysis of bank home mortgage lending performance under this factor.

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment areas. The bank's excellent performance in the State of ME primarily supports this conclusion, as the bank had adequate performance in the State of NH. Please refer to state and assessment area sections for more detailed analysis of bank small business lending performance under this factor.

Borrower Profile

The distribution of 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. The bank's excellent performance in the State of ME for both home mortgage and small business lending primarily supports this conclusion, as performance in ME received the most weight. Performance in the State of NH was below overall performance. The following comments summarize bank borrower distribution in each state.

Home Mortgage Loans

The distribution of borrowers reflects excellent penetration among retail customers of different income levels. The bank demonstrated excellent performance in the State of ME and adequate performance in the State of NH. Please refer to state and assessment area sections for more detailed analysis of bank home mortgage lending performance under this factor.

Small Business Loans

The distribution of borrowers reflects excellent penetration among business customers of different size. The bank's excellent performance in the State of ME primarily supports this conclusion, as the bank had good performance in the State of NH. Please refer to state and assessment area sections for more detailed analysis of bank small business lending performance under this factor.

Innovative or Flexible Lending Practices

The bank makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs. Bangor Savings Bank offers residential, commercial, and consumer programs targeted to low- or moderate-income individuals and small businesses. Programs include government-related subsidies and guarantees in addition to internal programs. The bank originated 3,802 loans totaling \$497.5 million through innovative and/or flexible programs during the evaluation period that benefitted individuals and businesses. The following table indicates innovative and/or flexible loan program activity by year. The bank provided year-to-date 2021 data up until June 30, 2021.

Innovative or Flexible Lending Programs										
Type of Program	11/01/18 - 12/31/18		2019		2020		1/1/2021 - 06/30/2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
MSHA First Time Homebuyers	39	4,857	217	27,831	166	22,713	74	10,821	496	66,222
Welcome Mortgages	18	4,220	148	35,092	46	9,940	0	0	212	49,252
FHA and VA	27	5,177	237	48,043	175	39,719	77	19,103	516	112,042
USDA/RD - Residential	25	3,174	163	22,301	138	20,630	59	9,065	385	55,170
Subtotal Residential	109	17,428	765	133,267	525	93,002	210	38,989	1,609	282,686
SBA PPP Loans*	0	0	0	0	1,138	95,311	753	47,824	1,891	143,135
SBA 7A	9	1,260	53	5,092	46	6,918	20	5,985	128	19,255
SBAA 504	4	4,231	16	6,072	8	17,300	9	11,400	37	39,003
NH Business Finance Authority	1	50	6	795	4	479	1	148	12	1,472
Finance Authority of ME	3	1,105	20	5,993	14	2,901	2	325	39	10,324
Tribal Government and Tribal Owned Business Loans	0	0	2	775	2	775	0	0	4	1,550
Subtotal Commercial	17	6,646	97	18,727	1,212	123,684	785	65,682	2,111	214,739
Small Dollar Credit Builder Loan	4	2	32	16	25	17	21	11	82	46
Subtotal Consumer	4	2	32	16	25	17	21	11	82	46
Totals	130	24,076	894	152,010	1,762	216,703	1,016	104,682	3,802	497,471

Source: Bank Data
*Totals only reflect PPP loans in low- or moderate-income geographies or underserved middle-income geographies

Refer to the State of ME and State of NH sections for a description of state-specific innovative and/or flexible lending products. The following describes notable innovative and/or flexible lending programs offered in both ME and NH assessment areas.

Residential Lending Programs

- *Welcome Mortgages* – Welcome Mortgages do not include any government enhancements. This program features flexible terms and provides financing up to 80 percent, with a 10 percent subordinate mortgage loan, and a 10 percent down payment requirement. The flexible terms help to meet the credit needs of low- and moderate-income individuals throughout the combined assessment area.
- *Federal Housing Administration (FHA)* – Bangor Savings Bank participates in FHA’s programs that provide mortgage insurance on originations by FHA-approved lenders throughout the United States. The fixed-rate program targets first-time homebuyers and offers low closing costs, easy credit qualification with less strict credit score requirements, and down payments as low as 3.5 percent. The FHA also allows for more flexible debt-to-income ratios and underwriting standards than conventional loans. This

product assists low- and moderate-income borrowers throughout the combined assessment area.

- *Veterans Administration (VA)* – VA loans offer no down payment home mortgages to veterans, service members, and military spouses. The VA guarantees these loans and they are available throughout the combined assessment area.
- *USDA RD* – The USDA’s Single Family Housing Direct Home Loan Program, otherwise known as the Section 502 Direct Loan Program, helps low-income applicants obtain safe and affordable housing in rural areas. No down payment is required and the program provides payment assistance through a subsidy that reduces mortgage payments to improve the borrower’s repayment ability. Borrowers can utilize funds to build, repair, renovate, or relocate a home, or to purchase and prepare sites, including water and sewage facilities. The program assists low-income borrowers throughout the combined assessment area.

Small Business Lending Programs

- *SBA PPP Loans* – The PPP, established by the Coronavirus Aid, Relief, and Economic Security Act and implemented through the SBA, helped small businesses maintain their payroll, hire back employees, and cover applicable overhead expenses during the COVID-19 pandemic. The bank helped meet the small business credit needs of the assessment area by offering PPP loans in 2020 and 2021. The table lists PPP loans that had specific impact to low- and moderate-income geographies and distressed middle-income geographies.
- *SBA 7a Loan Program* – The SBA 7a Loan Program provides term loans up to \$5 million, with an SBA guaranty of 85 percent for loans \$150,000 or less and 75 percent for loans greater than \$150,000. Small businesses that meet the SBA’s size eligibility standards benefit from long-term financing options, a fixed maturity, and no prepayment penalties. Bangor Savings Bank has been the top SBA 7a lender and top overall SBA lender in ME during the evaluation period.
- *SBA 504 Certified Development Company (CDC) Program* – The SBA 504 CDC program is an economic development program that offers small business financing while promoting job growth and creating jobs. The CDC Program provides proven small businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. CDCs work with the SBA and private sector lenders to provide financing to small businesses and promote economic development. Bangor Savings Bank was the top SBA 504 lender in ME during the evaluation period.

Other Consumer Lending Programs

- *Small Dollar Credit Builder Loan* – This small dollar loan program assists customers with limited or no credit history to establish credit. The bank originates Small Dollar Credit Builder loans for as little as \$300 up to \$1,500 for a maximum term of 12 months.

The loan is secured by funds in a Bangor Savings Bank savings account at 100 percent loan-to-value; there is no credit score requirement and no fees associated with the account. This product is available throughout the combined assessment area.

Community Development Loans

The institution is a leader in making community development loans. The bank originated 107 community development loans totaling \$124.8 million. Although this is a decrease from bank totals at the previous CRA evaluation, the current totals represent significant activity. This activity level represents 3.6 percent of average total loans since the previous evaluation. Bank lending notably exceeded the number and dollar amount of community development loans at two similarly situated institutions.

The bank’s State of ME community development lending performance is consistent with the overall conclusion and received the most weight. Bank performance in the State of NH was slightly lower than overall performance.

The majority of community development loans supported affordable housing, followed by economic development and community services for low- or moderate-income individuals or geographies. The bank’s community development loans supported the three needs mentioned by community contacts in all ME assessment areas, reflecting excellent responsiveness to area needs and opportunities. The following tables illustrate the bank’s community development lending activity during the evaluation period by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	1	4,000	5	2,440	2	2,457	0	0	8	8,897
2019	18	45,276	16	6,575	6	15,235	0	0	40	67,086
2020	6	9,080	18	9,832	5	9,700	0	0	29	28,612
2021	5	7,625	16	7,433	7	4,940	2	181	30	20,179
Total	30	65,981	55	26,280	20	32,332	2	181	107	124,774

Source: Bank Data

Refer to state and assessment area sections for notable examples of community development loans.

INVESTMENT TEST

The Investment Test is rated Outstanding. This rating is consistent with bank performance in the State of ME, but bank performance in the State of NH was below overall Investment Test performance. The following sections discuss the bank’s overall performance under each criterion.

Investment and Grant Activity

Bangor Savings Bank made an excellent level of qualified investments. During the evaluation period, qualified investments, grants, and donations totaled \$55.1 million. This total includes 52 qualified debt or equity investments of \$53.6 million, of which 11 totaling \$14.7 million are new since the previous evaluation. The total amount also includes qualified grants or donations of \$1.5 million. The total dollar amount of investments represents 1.1 percent of the bank's average total assets and 4.4 percent of average total securities since the previous evaluation. Although total qualified investments are slightly lower than the bank's totals at the last evaluation, Bangor Savings Bank has maintained a leadership role in assessment area, statewide, and regional qualified investments, and its performance ratios exceeded those of similarly situated institutions.

The bank received credit for 12 qualified investments totaling \$13.2 million that benefited the regional area including all bank assessment areas. The following table illustrates the bank's community development investments by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	17	21,491	9	6,548	15	10,926	0	0	41	38,965
2018	1	2,000	0	0	0	0	0	0	1	2,000
2019	0	0	0	0	2	3,000	1	905	3	3,905
2020	2	4,000	0	0	2	521	0	0	4	4,521
2021	1	3,000	0	0	2	1,240	0	0	3	4,240
Subtotal	21	30,491	9	6,548	21	15,687	1	905	52	53,631
Qualified Grants & Donations	29	233	232	1,028	25	184	2	30	288	1,474
Total	50	30,724	241	7,576	46	15,871	3	935	340	55,105
<i>Source: Bank Data Due to rounding, totals may not equal</i>										

The following examples describe all three new qualified investments that benefitted the regional area including both ME and NH.

- *Housing New England Funds* – The bank invested \$3 million each into two LIHTC funds that primarily supported affordable housing projects in ME and NH, as well as some in Vermont. The bank's investments will help fund the creation of 1,265 affordable units throughout ME, NH, and Vermont. This investment receives credit for providing affordable housing to low- and moderate-income individuals.
- *Community Capital* – In 2018, the bank invested \$2 million in LIHTC funds benefitting the Northern New England Housing Investment Fund, which supports affordable housing throughout ME and NH. The bank's investment supported both the rehabilitation and

construction of multifamily affordable rental housing provided to low-income individuals and households

Refer to state and individual assessment area sections for examples of qualified investments benefitting a specific state or assessment area.

Responsiveness to Credit and Community Development Needs

The bank exhibits excellent responsiveness to credit and community development needs. A majority of investments supported affordable housing for low- and moderate-income individuals. Affordable housing was identified as a primary community development need in all assessment areas. The bank's investments also provided significant support for economic development, another key community development need in all assessment areas, particularly given the effects of business shutdowns and other safety measures taken as a result of the COVID-19 pandemic. Additionally, the bank's donations primarily supported community services benefitting low- and moderate-income individuals, which was also a critical need in all assessment areas throughout the evaluation period.

Community Development Initiatives

The institution makes significant use of innovative and/or complex investments to support community development initiatives. Many of the bank's investments serve to provide non-traditional small business financing, such as an inaugural investment in a micro-loan fund for immigrant and minority owned small businesses. Furthermore, during the evaluation period, the bank invested in American Recovery and Reconstruction Act Tax Credit investments and Low Income Housing Tax Credit (LIHTC) investments. These investments have complexities, unusual risk factors, generally lower return expectations, complicated tax structures and underwriting, and long-term administrative costs that make the investments less routine or likely for other corporations to fund.

For example, LIHTCs are complex, as the financial benefit to the institution requires determining the tax benefit implications of the investment over a period up to 10 years as well as requiring coordination among project developers, housing credit agencies, and LIHTC investors for the project to meet the requirements of a low-income project. Bank investments in CDFIs and venture capital funds also reflect innovativeness and complexity, as they support the provision of non-traditional financing for small businesses that require greater expertise than traditional lending.

SERVICE TEST

Bangor Savings Bank's Service Test performance is rated Low Satisfactory. The rating is consistent with bank performance in both the State of ME and the State of NH. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

Bangor Savings Bank’s delivery systems are accessible to essentially all portions of its assessment areas. The bank maintains 65 full service branches with an ATM at each branch, along with 2 additional full-service deposit-taking ATM’s. One deposit-taking ATM not associated with a branch is located within a moderate-income census tract. Furthermore, the bank maintains a loan production office in a moderate-income census tract that facilitates loan closings. The standalone ATM and the loan production office in moderate-income tracts are within the Portland-Lewiston-South Portland, ME CSA. The following table shows that branch distribution percentages in both low- and moderate-income tracts are similar to population and census tract distributions.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	17	3.0	63,550	2.8	2	3.1	2	3.0
Moderate	100	17.6	371,837	16.3	11	16.9	12	17.9
Middle	327	57.5	1,335,464	58.4	41	63.1	41	61.2
Upper	113	19.9	508,463	22.2	9	13.8	10	14.9
NA	12	2.1	6,517	0.3	2	3.1	2	3.0
Total	569	100.0	2,285,831	100.0	65	100.0	67	100.0

*Source: 2015 ACS Data; Bank Data
Due to rounding, totals may not equal 100%*

Additionally, the bank operates three branches in underserved middle-income census tracts in ME. Alternative delivery systems, including online and mobile banking, supplement the bank’s branches in delivering retail banking services.

Changes in Branch Locations

To the extent changes have been made, Bangor Savings Bank’s opening and closing of branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The banked acquired or opened 11 full-service branches since the previous evaluation, with 3 new branches opened in moderate-income geographies. The bank also closed three full-service branches, including one in a moderate-income geography. In total, the bank gained two branches in moderate-income geographies compared to the prior evaluation. The bank continues to have two branches in low-income geographies, as no branch openings or closings occurred in these geographies. Refer to state and individual assessment area sections for an analysis of specific branch openings and closings during the evaluation period.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. All 65 full-service branches are open Monday through Friday, and approximately

half of all branches offer Saturday hours. The bank’s two branches in low-income tracts each have extended hours Monday to Friday, with one also open Saturdays. Of the 11 branches in moderate-income census tracts, 7 offer Saturday hours.

Additionally, the bank implemented a new retail service product across its combined assessment area designed specifically for low- and moderate-income individuals. The bank’s Benefit Promise account was created in-house and is a BankOn certified transaction account with no minimum daily balances, no monthly service charges, and no dormant or inactive account fees. The account does not offer overdraft services or checks, but includes a debit card and free online banking services. The bank currently has 371 active accounts totaling \$243,679 in deposits. This account is especially beneficial to previously unbanked and underbanked individuals.

Community Development Services

The bank offers an adequate level of community development services. Bangor Savings Bank employees contributed 191 instances of community development services during the evaluation period. This is a decrease from the previous evaluation and is slightly lower than similarly situated institutions. In 2020, the number is lower due to fewer in-person opportunities during the COVID-19 pandemic while employees worked remotely and many businesses were closed. The bank’s decrease is somewhat consistent with similarly situated institutions.

During the evaluation period, employees devoted time to community development organizations primarily supporting affordable housing, community services, and economic development. All bank assessment areas have needs and opportunities for these community development categories, reflecting adequate responsiveness. The following table indicates community development services by category and year.

Community Development Services by Year					
Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
2018	2	31	15	1	49
2019	16	28	21	0	65
2020	9	17	7	0	33
2021	14	24	6	0	44
Total	41	100	49	1	191
<i>Source: Bank Data</i>					

Refer to state and assessment area sections for examples of community development services.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed bank compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

MAINE

CRA RATING FOR MAINE: OUTSTANDING

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MAINE

Bangor Savings Bank has three assessment areas within ME:

- Portland-Lewiston-South Portland, ME CSA
- Bangor, ME MSA
- ME Non-MSA

These areas combined comprise the entire State of ME. The bank's ME assessment areas have not changed since the previous FDIC CRA evaluation.

SCOPE OF EVALUATION – MAINE

Examiners performed a full-scope review of each ME assessment area, as the bank has significant deposits, lending activity, and branch presence in all three areas. The three ME assessment areas received equal weight when determining State of ME ratings and conclusions. As indicated in the following table, examiners noted that each assessment area has reasons for carrying significant weight. The Portland-Lewiston-South Portland, ME CSA has the majority of lending activity, the Bangor, ME MSA has the largest share of bank deposits, and the ME Non-MSA has the most branches. Further, the bank holds substantial market share for both loans and deposits in each area, but it has the highest market share in the Bangor, ME MSA. Based on these factors, examiners assigned equal weight to each ME assessment area.

ME Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Portland-Lewiston-South Portland, ME CSA	906,779	53.7	1,173,169	29.7	17	29.3
Bangor, ME MSA	306,874	18.2	1,561,857	39.5	11	19.0
ME Non-MSA	473,681	28.1	1,216,338	30.8	30	51.7
Total	1,687,334	100.0	3,951,364	100.0	58	100.0

Source: 2020 Bank HMDA and CRA Data; FDIC Summary of Deposits (06/30/2020); Bank Data

Please refer to the overall Scope of Evaluation section for products reviewed, timeframe, and weighting of products.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MAINE

LENDING TEST

The bank's Lending Test performance is rated Outstanding in the State of ME. Consistent performance in the Portland-Lewiston-South Portland, MA CSA; Bangor, ME MSA; and the ME Non-MSA assessment areas support this conclusion. The following sections discuss the bank's statewide performance under each criterion.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs. Excellent performance in all ME assessment areas supports this conclusion. The following comments summarize bank lending activity in all assessment areas combined.

Home Mortgage Loans

In 2019, Bangor Savings Bank originated 4,001 loans totaling \$647.8 million in the ME assessment areas. Bangor Savings Bank originated 6,030 loans totaling \$1.2 billion in the ME assessment areas in 2020, reflecting a significant increase in home mortgage originations. The bank was the top home mortgage lender in ME for both years.

Small Business Loans

The bank originated 995 small business loans totaling \$166.8 million in the ME assessment areas in 2019. Bangor Savings Bank ranked 12th out of 111 lenders reporting at least one small business loan in ME. The institutions ranked above the bank were mostly large national banks and credit card banks. In 2020, small business lending in ME increased substantially to 5,023 loans totaling \$493.5 million due to the bank's significant PPP loan activity.

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the State of ME. The bank had excellent performance in the Portland-Lewiston-South Portland, ME CSA and Bangor, ME MSA assessment areas, with the ME Non-MSA assessment area's good performance slightly below statewide performance. Refer to individual assessment area sections for a detailed discussion of geographic distribution by product type.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among individuals of different income levels and business customers of different size in the State of ME. Excellent performance in the Bangor, ME MSA and ME Non-MSA assessment areas primarily support the rating. Good performance in the Portland-Lewiston-South Portland, ME CSA was slightly below statewide performance. Refer to individual assessment area sections for a detailed discussion of borrower profile by product type.

Innovative or Flexible Lending Practices

The bank makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs. In addition to offering all products described in the overall section, Bangor Savings Bank offers the following innovative and/or flexible lending programs specifically in ME.

- *MaineHousing's First-time Homebuyer (FTHB) Program* – This FTHB program offered through the ME State Housing Authority (MSHA) provides access to low fixed-rate mortgages with low to no down payment required. This program allows the bank to offer affordable mortgages that benefit low- and moderate-income borrowers.
- *Finance Authority of ME (FAME)* – The FAME Direct Loan Program, formerly the Economic Recovery Loan Program, provides loans of up to \$1 million to Maine-based small businesses that may not qualify for conventional financing. FAME helps businesses create new employment opportunities throughout ME.

Community Development Loans

The bank is a leader in making community development loans within the State of ME. The bank originated 104 loans totaling approximately \$111.8 million, with consistent performance in the Portland-Lewiston-South Portland, ME CSA and Bangor, ME MSA assessment areas, and slightly lower performance in the ME Non-MSA assessment area.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Portland-Lewiston-South Portland, ME CSA	15	40,487	12	5,863	6	22,457	1	131	34	68,938
Bangor ME, MSA	7	2,744	28	12,780	9	6,940	1	50	45	22,514
ME Non-MSA	6	10,200	15	7,637	4	2,500	0	0	25	20,337
Total	28	53,431	55	26,280	19	31,897	2	181	104	111,789
<i>Source: Bank Data Due to rounding, totals may not equal</i>										

Refer to assessment area sections for examples of community development loans in ME.

INVESTMENT TEST

The bank's Investment Test performance is rated Outstanding in the State of ME. Consistent performance in the Portland-Lewiston-South Portland, ME CSA, ME Non-MSA, and Bangor, ME MSA assessment areas support this conclusion. The following sections discuss the bank's performance under each criterion.

Investment and Grant Activity

The bank has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. Qualified investments in ME totaled \$41.7 million, or 76.1 percent of the bank’s total qualified investments. This includes all qualified investment and grant activity in each ME assessment area and statewide-qualified investments as illustrated in the table below.

Qualified Investments by Maine Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Portland-Lewiston-South Portland, ME CSA	13	5,335	80	361	4	21	0	0	97	5,717
ME Non-MSA	10	466	70	6,596	15	474	0	0	95	7,536
Bangor, ME MSA	3	11	49	457	9	650	3	935	64	2,053
ME Statewide Activities	6	13,189	0	0	14	13,233	0	0	20	26,422
Total	32	19,001	199	7,414	42	14,378	3	935	276	41,728

*Source: Bank Data
Due to rounding, totals may not equal*

The following are notable examples of new qualified investments benefitting the State of ME.

- *The Genesis Fund* – The bank made separate \$500,000 equity equivalent investments (EQ2) in 2019 and 2021 to this CDFI. As a CDFI, The Genesis Fund provides loans and technical assistance to nonprofit organizations in order to create housing, economic, and social opportunities for low- and moderate-income individuals and geographies. Based on current affordable housing needs in ME, the fund has focused on providing non-traditional financing in order to increase and preserve the supply of affordable housing for low- and moderate-income individuals.
- *Dirigo Angel Fund* – In 2020, the bank invested \$500,000 in this venture fund that provides non-traditional financing for small and start-up businesses that support job creation and retention for low- and moderate-income individuals in ME. This investment qualifies because it has a primary purpose of economic development.
- *North Atlantic VI, LLP* – In 2019, the bank invested \$2.5 million in this Small Business Investment Corporation (SBIC) that provides financing for small businesses in ME. Investments in SBICs receive community development credit for promoting economic development.

Please refer to the individual assessment area discussions for details on qualified investments specific to each area.

Responsiveness to Credit and Community Development Needs

The bank exhibits excellent responsiveness to credit and community development needs. Qualified investments primarily benefited identified community development needs of affordable housing and economic development. Each assessment area had notable needs and opportunities for these community development categories. The bank also made significant investments to provide community services to low- and moderate-income individuals. ME assessment areas have relatively high poverty rates, and the COVID-19 pandemic created economic hardship in particular for low-income individuals. Consequently, the significant amount of donations addressing these challenges reflected favorably on bank performance under this criterion.

Community Development Initiatives

The institution makes significant use of innovative and/or complex investments to support community development initiatives. Please refer to the overall Investment Test discussion of this factor for a detailed analysis supporting this conclusion. The bank made innovative and complex investments within the State of ME that are similar to those discussed in the overall Investment Test.

SERVICE TEST

The bank's Service Test performance is rated Low Satisfactory. Consistent performance in the Portland-Lewiston-South Portland, ME CSA and the ME Non-MSA assessment areas support this conclusion, as performance in the Bangor, ME MSA assessment area was above statewide performance. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

The bank's delivery systems are accessible to essentially all portions of the State of ME assessment areas. Accessibility of delivery systems in ME is consistent with the bank's overall accessibility of delivery systems. Of the bank's 65 full service branches, 58 branches are in ME along with the two-deposit taking ATMs not associated with branch locations. Refer to the overall Service Test for an analysis of the accessibility of bank delivery systems.

Changes in Branch Locations

To the extent changes have been made, Bangor Savings Bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank closed three branches and opened or acquired eight branches during the review period. The net effect of branch openings and closing in ME resulted in one additional branch in a moderate-income census tract and four additional branches in middle-income tracts. The Portland-Lewiston-South Portland, ME CSA had the net gain of a branch in a moderate-income census tract.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. Bank performance in ME is consistent with the bank's performance discussed in the overall section.

Community Development Services

Bangor Savings Bank provides an adequate level of community development services. A substantial majority of the bank's overall community development services benefitted the State of ME. The table below indicates instances of community development services by purpose and assessment area.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
Bangor ME, MSA	10	38	16	0	64
Portland-Lewiston CSA	19	30	7	1	57
ME Non-MSA	7	24	11	0	42
Total	36	92	34	1	163

Source: Bank Data

- During 2019, 2020 and 2021, a member of the bank's management providing professional expertise has been a Board Member of a ME CDFI. The CDFI provides loans at favorable terms for developing affordable housing and community services for low- and moderate-income individuals.

Please see individual assessment area discussions for community development service examples specific to each area.

PORTLAND-LEWISTON-SOUTH PORTLAND, ME CSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN PORTLAND- LEWISTON-SOUTH PORTLAND, ME CSA

The assessment area consists of two MSAs: the Portland-South Portland, ME MSA and the Lewiston-Auburn, ME MSA. The Portland-South Portland, ME MSA consists of Cumberland, York, and Sagadahoc Counties and includes the cities of Bath, Biddeford, Portland, South Portland, and 64 towns. The Lewiston-Auburn, ME MSA consists of Androscoggin County, which includes the cities of Auburn, Lewiston, and 12 towns. The bank offers the same products and services in the Portland-Lewiston-South Portland, ME CSA as discussed in the overall section.

Economic and Demographic Data

The Portland-Lewiston-South Portland, ME CSA contains 145 census tracts with the following income designations.

- 8 low-income tracts,
- 30 moderate-income tracts,
- 78 middle-income tracts,
- 26 upper-income tracts, and
- 3 census tracts with no income designation.

The number of tracts and the income designations have not changed since the last CRA evaluation. The following table illustrates select demographic characteristics of the Portland-Lewiston-South Portland, ME CSA.

Demographic Information of the Assessment Area						
Portland-Lewiston-South Portland, ME CSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	145	5.5	20.7	53.8	17.9	2.1
Population by Geography	628,286	4.2	18.8	58.4	18.6	0.0
Housing Units by Geography	314,277	4.2	20.5	57.7	17.5	0.0
Owner-Occupied Units by Geography	179,161	1.2	14.7	63.0	21.2	0.0
Occupied Rental Units by Geography	80,142	12.2	31.4	45.3	11.1	0.0
Vacant Units by Geography	54,974	2.7	23.8	58.8	14.7	0.0
Businesses by Geography	48,193	4.4	23.7	52.1	19.8	0.0
Farms by Geography	1,662	1.0	13.2	64.2	21.5	0.0
Family Distribution by Income Level	162,748	21.0	17.5	22.0	39.6	0.0
Household Distribution by Income Level	259,303	24.2	16.1	17.9	41.8	0.0
Median Family Income MSA - 30340 Lewiston-Auburn, ME MSA		\$60,363	Median Housing Value			\$232,360
Median Family Income MSA - 38860 Portland-South Portland, ME MSA		\$74,701	Median Gross Rent			\$897
			Families Below Poverty Level			7.9%
<i>Source 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR) level. According to 2020 D&B data, there were 48,193 businesses in the assessment area. GAR categories for these businesses follow.

- 83.7 percent have \$1 million or less
- 5.8 percent have more than \$1 million, and
- 10.5 percent have unknown revenues

Service industries represent the largest portion of businesses at 39.8 percent, followed by non-classifiable establishments at 16.2 percent, and retail trade at 13.5 percent. Additionally, 61.4 percent of area businesses have four or fewer employees, and 88.3 percent operate out of a single location.

Examiners used FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories relevant to the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Lewiston-Auburn, ME MSA Median Family Income (30340)				
2019 (\$62,600)	<\$31,300	\$31,300 to <\$50,080	\$50,080 to <\$75,120	≥\$75,120
2020 (\$75,900)	<\$37,950	\$37,950 to <\$60,720	\$60,720 to <\$91,080	≥\$91,080
Portland-South Portland, ME MSA Median Family Income (38860)				
2019 (\$86,700)	<\$43,350	\$43,350 to <\$69,360	\$69,360 to <\$104,040	≥\$104,040
2020 (\$92,300)	<\$46,150	\$46,150 to <\$73,840	\$73,840 to <\$110,760	≥\$110,760
<i>Source: FFIEC</i>				

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Notably, although low-income tracts contain 4.2 percent of total housing units, these tracts contain just 1.2 percent of total owner-occupied housing units. The high concentration of occupied rental units in low-income tracts explains this low percentage of owner-occupied units.

The Portland-Lewiston-South Portland, ME CSA has a median house price of \$232,360, which is higher than the statewide median house price. A low-income family making \$46,150 annually at most would struggle to qualify for a standard conventional mortgage in the Portland-Lewiston-South Portland, ME CSA. This area also has a high level of poverty, with 7.9 percent of total families having incomes below the poverty line.

According to the United States Bureau of Labor Statistics (BLS), the average unemployment rate in 2020 was 3.9 percent in Portland-Lewiston-South Portland, ME CSA. This rate compared favorably to the 4.9 percent statewide unemployment rate and is considerably lower than the national average of 8.3 percent.

Competition

The Portland-Lewiston-South Portland, ME CSA has a moderate level of competition for financial services. According to 2020 FDIC Deposit Market Share data, 22 financial institutions operated 213 full-service branches within the area. Of these institutions, Bangor Savings Bank ranked 6th with a 5.9 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2020, 406 lenders reported 42,766 residential mortgage loans originated or purchased in the Portland-Lewiston-South Portland, ME CSA. The three most prominent home mortgage lenders, which includes Bangor Savings Bank, accounted for 17.5 percent of total market share.

Notable competition also exists for small business loans among financial institutions. In 2020, 139 lenders reported 17,056 small business loans originated in the area. The three most prominent small business lenders accounted for 37.2 percent of total market share and were all large national institutions.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps to determine whether local financial institutions are responsive to these needs. It also helps to identify credit and community development opportunities. Examiners conducted a community contact with a nonprofit organization focused on meeting housing needs of low- and moderate-income individuals in the Portland-Lewiston-South Portland, ME CSA.

The contact identified responding to high poverty levels and a lack of affordable housing for low- and moderate-income individuals and families as significant needs. The contact noted that the gap between rents and incomes has grown, making it particularly difficult for low-income individuals to have balanced budgets. The COVID-19 pandemic increased demand for home ownership in ME from out-of-state metropolitan areas, making homeownership unattainable for many low- and moderate-income families. In addition to affordable housing needs, the pandemic also created greater needs for community services targeted to low- and moderate-income people. Last, the contact indicated economic development needs exist, with the need to focus on expanding the number of higher paying jobs within the CSA.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and economic and demographic data, examiners determined that home mortgage and small business loans represent primary credit needs. Affordable housing, community services for low- and moderate-income individuals, and economic development represent primary community development needs in the Portland-Lewiston-South Portland, ME CSA. The significant number of businesses with GARs of less than \$1.0 million, the high poverty level, and the decrease of available affordable housing support this conclusion. Opportunities exist for banks to meet each of these credit and community development needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PORTLAND-LEWISTON-SOUTH PORTLAND, ME CSA

LENDING TEST

Bangor Savings Bank demonstrated excellent performance under the Lending Test in the Portland-Lewiston-South Portland, ME CSA. The following sections discuss the bank's performance under each criterion.

Lending Activity

The bank's lending levels reflect excellent responsiveness to assessment area credit needs. The bank originated 1,524 home mortgage loans totaling \$333.5 million in 2019 and 2,632 home mortgage loans totaling \$658.4 million in 2020. In addition to the increasing trend from 2019 to 2020, bank home mortgage lending during the current period significantly exceeded bank lending

activity from the prior evaluation period. Notably, the bank was the top home mortgage lender in 2020 in this assessment area with a 6.3 percent market share.

Bangor Savings Bank originated 408 small business loans totaling \$74.9 million in 2019 and 2,321 small business loans totaling \$248.3 million. PPP lending explains the significant increase in originations from 2019 to 2020. The bank's small business lending activity in the Portland-Lewiston-South Portland, ME CSA also substantially increased compared to the prior evaluation period.

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the Portland-Lewiston-South Portland, ME CSA. The following sections summarize the bank's geographic distribution performance for each product type.

Home Mortgage Loans

The geographic distribution of loans reflects excellent penetration throughout the Portland-Lewiston-South Portland, ME CSA. In 2019, bank performance exceeded the percentage of owner-occupied housing units and aggregate performance in low-income census tracts. Although 2020 had a slightly lower percentage of home mortgage loans in low-income census tracts, the bank again exceeded both demographics and aggregate performance.

In 2019, the bank was below demographics and aggregate performance in moderate-income census tracts. In 2020, the bank increased the number and percentage of loans in moderate-income census tracts and slightly exceeded both aggregate performance and demographics, demonstrating a positive trend. See the following table for further details.

Geographic Distribution of Home Mortgage Loans						
Portland-Lewiston-South Portland, ME CSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	1.2	1.9	48	3.2	15,622	4.7
2020	1.2	1.7	70	2.7	14,479	2.2
Moderate						
2019	14.7	16.7	212	13.9	45,975	13.8
2020	14.7	15.3	406	15.4	90,309	13.7
Middle						
2019	63.0	59.6	870	57.1	177,635	53.3
2020	63.0	59.0	1,376	52.3	334,221	50.8
Upper						
2019	21.2	21.8	394	25.9	94,303	28.3
2020	21.2	23.9	780	29.6	219,343	33.3
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
Totals						
2019	100.0	100.0	1,524	100.0	333,535	100.0
2020	100.0	100.0	2,632	100.0	658,352	100.0

Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. As shown in the following table, the bank's lending performance in low- and moderate-income census tracts substantially exceeded aggregate performance and the percentage of businesses in 2019 and 2020. The bank's lending in 2020 substantially increased in both low- and moderate-income census tracts primarily due to SBA PPP loans in those census tracts.

Geographic Distribution of Small Business Loans						
Portland-Lewiston-South Portland, ME CSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	4.2	3.7	29	7.1	2,792	3.7
2020	4.4	3.9	139	6.0	15,413	6.2
Moderate						
2019	23.8	21.4	148	36.3	29,881	39.9
2020	23.7	20.4	655	28.2	84,239	33.9
Middle						
2019	52.2	53.0	149	36.5	25,540	34.1
2020	52.1	53.0	1,053	45.4	99,211	40.0
Upper						
2019	19.8	21.9	82	20.1	16,701	22.3
2020	19.8	22.7	474	20.4	49,469	19.9
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
Totals						
2019	100.0	100.0	408	100.0	74,914	100.0
2020	100.0	100.0	2,321	100.0	248,332	100.0
<i>Source: 2019 & 2020 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different sizes. The bank’s good performance in home mortgage lending primarily supports this conclusion, as the bank had excellent small business lending performance. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and small business loans to business with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of borrowers reflects good penetration among individuals of different income levels. Bank lending to low-income borrowers was slightly below aggregate performance and well below the percentage of low-income families for both years. However, the percentage of low-income families does not indicate lending opportunity. Many low-income families in the assessment area may have difficulty qualifying for a mortgage under conventional underwriting standards considering 7.9 percent of assessment area families have incomes below the poverty level.

According to HMDA market share reports for loans to low-income borrowers, the bank ranked 6th with 3.9 percent market share in 2019 and 4th with a 4.9 percent market share in 2020. The bank competed with mortgage companies and credit unions for market share in both years. The strong and improving market rankings support the bank’s good performance.

Bank lending to moderate-income borrowers trailed aggregate performance and the percentage of families in 2019. However, the bank’s lending in moderate-income tracts more than doubled in 2020, slightly exceeding the percentage of families, but falling slightly below aggregate performance. Market share reports for moderate-income borrower loans further support the bank’s good performance. The bank ranked 4th with a 3.9 percent market share in 2019 and 3rd with a 5.9 percent market share in 2020. The bank trailed large mortgage companies in both years, but was the top ranked community bank in the area.

Distribution of Home Mortgage Loans by Borrower Income Level						
Portland-Lewiston-South Portland, ME CSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	21.0	6.6	71	4.7	8,078	2.4
2020	21.0	6.1	125	4.7	16,335	2.5
Moderate						
2019	17.5	19.6	210	13.8	30,164	9.0
2020	17.5	18.9	472	17.9	86,878	13.2
Middle						
2019	22.0	22.7	347	22.8	61,224	18.4
2020	22.0	22.8	672	25.5	149,471	22.7
Upper						
2019	39.6	36.8	747	49.0	182,552	54.7
2020	39.6	37.2	1,232	46.8	352,387	53.5
Not Available						
2019	0.0	14.2	149	9.8	51,517	15.4
2020	0.0	14.9	131	5.0	53,282	8.1
Totals						
2019	100.0	100.0	1,524	100.0	333,535	100.0
2020	100.0	100.0	2,632	100.0	658,352	100.0

Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business loans reflects excellent penetration among businesses of different sizes. As shown in the following table, the bank’s lending performance substantially exceeded aggregate performance in 2019, with both the bank and aggregate lending below the

percentage of businesses. The bank made 1,986 PPP loans in 2020 during the COVID-19 pandemic. Banks were not required to collect revenue information for PPP loans, and as such, the bank did not collect revenue on PPP loans in 2020, skewing the percentage of loans to businesses with GARs of \$1 million or less. Among 2020 bank small business loans with revenue data, the bank made 59.5 percent to businesses with GARs of \$1 million or less, which is in line with excellent performance based on the favorable comparison to aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Portland-Lewiston-South Portland, ME CSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	82.6	43.7	247	60.5	30,848	41.2
2020	83.7	31.8	195	8.4	25,983	10.5
>\$1,000,000						
2019	6.4	--	155	38.0	43,988	58.7
2020	5.8	--	133	5.7	35,188	14.2
Revenue Not Available						
2019	11.0	--	6	1.5	78	0.1
2020	10.4	--	1,993	85.9	187,161	75.4
Totals						
2019	100.0	100.0	408	100.0	74,914	100.0
2020	100.0	100.0	2,321	100.0	248,332	100.0

Source: 2019 & 2020 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%

Community Development Loans

Bangor Savings Bank is a leader in making community development loans in the assessment area. During the evaluation period, the bank originated 34 community development loans, totaling \$68.9 million, or 55.3 percent of the bank’s total community development lending, which directly benefited the assessment area. Although this is a slight decrease by number and dollar amount compared to the bank’s prior evaluation totals, it remains at an excellent level.

The following are notable examples of community development loans that met a critical community development need in the assessment area.

- In 2019, the bank made a \$3 million loan to a nonprofit (CDFI) in ME that provides economic development through loans, equity, and tax credit financing to small businesses.
- In 2020, the bank made a \$2.9 million loan to help finance a 55-unit affordable housing project in Portland, ME where more than 50 percent of the units will be available to low-

and moderate-income individuals or families at affordable rates. The project is being developed under the LIHTC program.

INVESTMENT TEST

The bank demonstrated excellent performance under the Investment Test in the Portland-Lewiston-South Portland, ME CSA. Many qualified investments receiving credit at the ME statewide level also benefitted the Portland-Lewiston-South Portland, ME CSA. Therefore, the relatively lower level of qualified investments specifically benefitting the Portland-Lewiston-South Portland, ME CSA does not negatively affect the Investment Test rating for ME.

Investment and Grant Activity

The bank has an excellent level of qualified community development investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors. The bank made 97 qualified investments in the area consisting of 4 prior period affordable housing investments totaling \$5.2 million and 93 grants or donations totaling approximately \$560,000, for a combined total of approximately \$5.7 million. This equates to 10.4 percent of the bank's total qualified investments. This is slightly lower than total qualified investments from the prior evaluation in the assessment area, although the bank increased grants and donations nearly \$250,000. This area also benefits from \$26.4 million in qualified investments and grants that support the statewide area.

Please refer to the investment activity table in the State of ME section for the bank's investments in the assessment area by purpose. The following are examples of notable qualified grants or donations made by the bank or Bangor Savings Bank Foundation in this assessment area.

- *Good Shepherd Food Bank of ME* – Collectively during the review period, the bank and Bangor Savings Bank Foundation provided \$102,500 in grants and donations to this nonprofit organization based in Auburn, ME. The funds supported community services targeted to low-income individuals, as the food bank supplied local food pantry partners with food that was distributed to low-income individuals. The grants were particularly responsive considering economic hardships faced by low-income families during the COVID-19 pandemic.
- *Locker Project* – Bangor Savings Bank Foundation provided a \$25,000 grant to the Locker Project in Portland, ME. The funds supported community services targeted to low-income individuals, as this organization supplied partners with fresh food that was distributed to schools and neighborhood sites in Cumberland County's low- and moderate-income geographies. This grant was particularly responsive as it was provided in 2020 when the COVID-19 pandemic created significant economic challenges for low- and moderate-income families.
- *Avesta Housing* – The bank donated \$50,000 in 2021 to this affordable housing organization. This donation helped support Avesta Housing's recently completed senior

affordable housing residence that created 38 housing units for low-income seniors in Cumberland County. This significant donation qualifies because it supported affordable housing for low-income individuals.

Responsiveness to Credit and Community Development Needs

The bank exhibits excellent responsiveness to the credit and community development needs of the assessment area. The bank's equity investments targeted affordable housing, which is a primary community development need identified by the community contacts. Further, the bank and Bangor Savings Bank Foundation focused grants and donations on community services targeted to low- and moderate-income individuals and affordable housing. The area has significant community service needs due to high poverty levels and economic hardship caused by the COVID-19 pandemic.

Community Development Initiatives

The bank makes significant use of innovative and complex investments to support area community development initiatives in the area. The bank continues to hold investments in a number of LIHTC projects that promote affordable housing. Of the four equity investments supporting affordable housing, three are LIHTCs. These investments require notable resources and expertise from bank personnel. Refer to the overall Investment Test analysis of community development initiatives for further support for the conclusion under this factor.

SERVICE TEST

Bangor Savings Bank demonstrated adequate performance under the Service Test in the Portland-Lewiston-South Portland, ME CSA. The following sections address bank performance under each factor.

Accessibility of Delivery Systems

The bank's delivery systems are readily accessible to all portions of the institution's assessment area. With two branches in low-income geographies and four in moderate-income geographies, the distribution of branches in these areas was higher than demographic comparators. The following table reflects the distribution of bank branches and ATMs by tract income level, as well as population and census tract distribution by tract income level.

Branch and ATM Distribution by Geography Income Level								
Assessment Area: Portland-Lewiston-South Portland, ME CSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	8	5.5	26,697	4.2	2	11.8	2	10.5
Moderate	30	20.7	118,078	18.8	4	23.5	5	26.4
Middle	78	53.8	366,812	58.4	10	58.8	10	52.6
Upper	26	17.9	116,699	18.6	1	5.9	2	10.5
NA	3	2.1	0	0.0	0	0.0	0	0.0
Total	145	100.0	628,286	100.0	17	100.0	19	100.0

Source: 2015 ACS Data; Bank Data

Changes in Branch Locations

To the extent changes have been made, the institution’s record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low and moderate income geographies and/or to low- and moderate income individuals. The bank has not closed any branches in the Portland-Lewiston-South Portland, ME CSA; however, the bank added one branch in a moderate-income and one in a middle-income census tract during the evaluation period. The addition of a branch in a moderate-income tract increased the percentage of branches in moderate-income tracts above demographic comparators in the assessment area.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals. Services, business hours, and loan and deposit products offered are consistent with the discussion in the overall and State of ME sections.

Community Development Services

The bank provides an adequate level of community development services. Of the 163 total instances of community development services in ME, 57 (35.0 percent) benefitted the Portland-Lewiston-South Portland, ME CSA. The number of community service instances declined by 46.2 percent since the prior evaluation. Although service instances declined, a significant number of the qualified community services in the area were for affordable housing efforts, an identified community development need in the assessment area.

The following are examples of community development services benefitting this area.

- In 2021, a bank employee served on the Board of an affordable housing coalition located in Portland, ME. The coalition includes representatives from multiple affordable housing and community development-related organizations, and it focuses on helping to create and preserve affordable housing in the area.

- In 2019, a bank employee served on the Board of a food bank in the assessment area. The food bank serves Auburn, ME and its surrounding communities.

MAINE STATEWIDE NON-METROPOLITAN AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ME NON-MSA

The ME Non-MSA assessment area consists of 167 census tracts across the 11 counties in the ME Non-MSA. The following list indicates the census tract breakdown by county: Aroostook (24), Franklin (9), Hancock (18), Kennebec (31), Knox (11), Lincoln (10), Oxford (17), Piscataquis (8), Somerset (17), Waldo (8), and Washington (14). The bank offers the same products and services in the ME Non-MSA as discussed in the overall section.

Economic and Demographic Data

The ME Non-MSA contains 167 census tracts with the following income designations.

- 17 moderate-income tracts,
- 123 middle-income tracts,
- 22 upper-income tracts, and
- 5 census tracts with no income designation.

The number of tracts and the income designations have not changed since the last CRA evaluation. The following table illustrates select demographic characteristics of the ME Non-MSA.

Demographic Information of the Assessment Area						
ME Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	167	0.0	10.2	73.7	13.2	3.0
Population by Geography	547,377	0.0	8.1	76.9	14.7	0.4
Housing Units by Geography	337,754	0.0	9.7	74.1	15.6	0.6
Owner-Occupied Units by Geography	172,945	0.0	7.6	75.8	16.2	0.3
Occupied Rental Units by Geography	59,063	0.0	9.1	79.1	11.4	0.4
Vacant Units by Geography	105,746	0.0	13.4	68.4	17.0	1.2
Businesses by Geography	35,675	0.0	7.5	74.9	17.2	0.4
Farms by Geography	1,945	0.0	5.8	78.4	15.6	0.2
Family Distribution by Income Level	146,525	20.2	18.4	20.9	40.5	0.0
Household Distribution by Income Level	232,008	24.0	16.6	17.3	42.1	0.0
Median Family Income Non-MSAs - ME		\$54,862	Median Housing Value			\$152,379
			Median Gross Rent			\$679
			Families Below Poverty Level			10.6%

Source: 2015 ACS and 2020 D&B Data
 Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

According to 2020 D&B data, there were 35,675 businesses in the assessment area. GARs for these businesses follow.

- 81.3 percent have \$1 million or less.
- 5.5 percent have more than \$1 million.
- 13.2 percent have unknown revenues.

Service industries represent the largest portion of businesses at 39.8 percent, followed by retail trade at 14.8 percent, and non-classifiable establishments at 14.1 percent. Additionally, 65.6 percent of area businesses have four or fewer employees, and 91.4 percent operate out of a single location.

The following table presents the low-, moderate-, middle-, and upper-income categories relevant to the assessment area.

Median Family Income Ranges				
Median Family Income	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
ME Non-MSA Median Family Income (99999)				
2019 (\$64,800)	<\$32,400	\$32,400 to <\$51,840	\$51,840 to <\$77,760	≥\$77,760
2020 (\$67,300)	<\$33,650	\$33,650 to <\$53,840	\$53,840 to <\$80,760	≥\$80,760
<i>Source: FFIEC</i>				

The ME Non-MSA has a median house value of \$152,379, which is lower than the median prices for other ME areas. This area also has a high poverty rate with 10.6 percent of families at or below the poverty line. A low-income family making \$33,650 annually at most would struggle to qualify for a standard conventional mortgage in the ME Non-MSA, even with relatively lower home prices.

According to BLS, the average unemployment rate in 2020 was 4.6 percent in Kennebec County, 5.1 percent in Aroostook County, and 5.4 percent in Hancock County, which represent the three counties from this assessment area with the greatest number of census tracts. These rates are relatively similar to the 4.9 percent statewide unemployment rate, and are lower than the national average of 8.3 percent.

Competition

The ME Non-MSA has a moderate level of competition for financial services. According to 2020 FDIC Deposit Market Share data, 21 financial institutions operated 214 full-service branches within the area. Of these institutions, Bangor Savings Bank ranked 5th with a 9.3 percent deposit market share.

The area has significant competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2020, 321 lenders reported 23,352 residential mortgage loans originated or purchased in the ME Non-MSA. Bangor Savings Bank ranked 1st with a market share of 10.0 percent. The three most prominent home mortgage lenders, including the bank, accounted for 23.2 percent of total market share.

Competition for small business loans among financial institutions is also notable. In 2020, 92 lenders reported 14,004 small business loans originated in the area. The three most prominent small business lenders accounted for 52.6 percent of total market share.

Community Contact

Examiners contacted an organization that serves low- and moderate-income families in Hancock and Washington Counties, which are located in ME's Downeast region. The contact identified a need to reduce poverty, increase affordable housing, and provide funding for small businesses. The contact noted that the state is suffering from an aging population, a lack of economic growth, and an increasing need for affordable rental housing and affordable opportunities to purchase homes. Furthermore, the contact indicated that many ME Non-MSA counties suffer from a lack of public transportation and internet or cellular connectivity, impacting the most economically disadvantaged. Individuals need a car to maintain employment and complete daily tasks, including banking and financial services. The contact also noted that local financial institutions are generally responsive to the community's needs; however, there are still opportunities for greater participation in community development activities including lending, investments, and community services.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and economic and demographic data, examiners determined that home mortgage and small business loans represent primary credit needs. Similar to needs in the Portland-Lewiston-South Portland, ME CSA, needs for this area consist of affordable housing, community services for low- and moderate-income individuals, and economic development. The significant number of businesses with GARs of less than \$1.0 million, the high poverty level, and limited transportation and communication infrastructure support this conclusion. Opportunities exist for banks to meet these credit and community development needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ME NON-MSA

LENDING TEST

The bank demonstrated excellent performance under the Lending Test in the ME Non-MSA assessment area. The following sections discuss the bank's performance under each criterion.

Lending Activity

The bank's lending levels reflect excellent responsiveness to assessment area credit needs. In 2019, the bank reported 1,538 home mortgage loans for approximately \$191.2 million, and 2,113 home mortgage loans for approximately \$332.2 million in 2020. The bank was the top ranked home mortgage lender in the area for both 2019 and 2020.

As for small business loans, the bank reported 344 small business loans for approximately \$54.6 million in 2019 and 1,792 loans for approximately \$141.0 million in 2020 within the ME Non-MSA assessment area. Lending activity during the current period for both products significantly exceeded activity during the prior evaluation period. The bank also substantially increased its home mortgage and small business lending from 2019 to 2020, indicating a positive trend.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the ME Non-MSA assessment area. This conclusion is supported by excellent home mortgage lending and adequate small business lending in the area's moderate-income tracts, as there are no low-income census tracts within the ME Non-MSA area.

Home Mortgage Loans

The geographic distribution of loans reflects excellent penetration throughout the ME Non-MSA assessment area. In 2019, the bank slightly outperformed aggregate performance but was slightly below demographics in moderate-income areas. In 2020, the bank's lending performance increased by number and the percentage of loans in moderate-income areas and slightly exceeded both aggregate lending and demographics. The following table details the geographic distribution of home mortgage loans.

Geographic Distribution of Home Mortgage Loans						
ME Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2019	7.6	6.6	111	7.2	13,140	6.9
2020	7.6	6.3	171	8.1	22,764	6.9
Middle						
2019	75.8	73.9	1,163	75.6	134,676	70.4
2020	75.8	72.1	1,493	70.7	221,798	66.8
Upper						
2019	16.2	18.8	246	16.0	41,442	21.7
2020	16.2	20.9	421	19.9	84,845	25.5
Not Available						
2019	0.3	0.6	18	1.2	1,921	1.0
2020	0.3	0.6	28	1.3	2,808	0.8
Totals						
2019	100.0	100.0	1,538	100.0	191,179	100.0
2020	100.0	100.0	2,113	100.0	332,215	100.0

Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. As shown in the following table, the bank's lending performance in moderate-income census tracts was below aggregate performance and the percentage of businesses in 2019. In 2020, the bank's lending was slightly below aggregate performance but remained below the percentage of businesses.

Geographic Distribution of Small Business Loans						
ME Non-MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2019	7.6	6.4	15	4.4	1,220	2.2
2020	7.5	6.0	104	5.8	6,839	4.9
Middle						
2019	75.0	73.2	275	79.9	43,846	80.3
2020	74.9	70.8	1,357	75.7	108,964	77.3
Upper						
2019	17.0	19.8	52	15.1	9,270	17.0
2020	17.2	22.6	307	17.1	24,514	17.4
Not Available						
2019	0.4	0.6	2	0.6	285	0.5
2020	0.4	0.6	24	1.3	633	0.4
Totals						
2019	100.0	100.0	344	100.0	54,621	100.0
2020	100.0	100.0	1,792	100.0	140,950	100.0

Source: 2019 & 2020 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and business customers of different sizes. The bank's excellent performance for both products supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans reflects excellent penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2019 and 2020, the bank's lending exceeded aggregate performance, but was below the percentage of low-income families. In 2019, the bank's lending exceeded aggregate performance and the percentage of families in moderate-income areas. In 2020, the bank's percentage of loans to moderate-income borrowers again exceeded aggregate performance despite trailing demographics.

Distribution of Home Mortgage Loans by Borrower Income Level						
ME Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	20.2	7.2	115	7.5	7,385	3.9
2020	20.2	5.2	142	6.7	10,877	3.3
Moderate						
2019	18.4	17.6	305	19.8	27,638	14.5
2020	18.4	15.1	355	16.8	40,560	12.2
Middle						
2019	20.9	21.9	364	23.7	37,891	19.8
2020	20.9	20.1	462	21.9	60,926	18.3
Upper						
2019	40.5	39.7	688	44.7	104,743	54.8
2020	40.5	44.5	1,089	51.5	206,010	62.0
Not Available						
2019	0.0	13.7	66	4.3	13,522	7.1
2020	0.0	15.0	65	3.1	13,844	4.2
Totals						
2019	100.0	100.0	1,538	100.0	191,179	100.0
2020	100.0	100.0	2,113	100.0	332,215	100.0

Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of borrowers reflects excellent penetration among businesses of different sizes. As shown in the following table, the bank's lending performance substantially exceeded aggregate performance in 2019 despite trailing the percentage of businesses with GARs of \$1 million or less. In 2020, the bank's performance declined substantially; however, this is attributed to the substantial increase in loans with revenue not available. The bank made 1,508 PPP loans in 2020 during the COVID-19 pandemic. Banks were not required to collect revenue information for PPP loans, which explains the substantial number of loans with revenue information not available. Nonetheless, among 2020 bank small business loans with revenue data, the bank made 68.2 percent to businesses with GARs of \$1 million or less, which is in line with excellent performance.

Distribution of Small Business Loans by Gross Annual Revenue Category						
ME Non-MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	80.3	49.9	214	62.2	16,297	29.8
2020	81.3	36.8	187	10.4	16,397	11.6
>\$1,000,000						
2019	5.8	--	123	35.8	38,150	69.8
2020	5.5	--	87	4.9	26,468	18.8
Revenue Not Available						
2019	13.9	--	7	2.0	174	0.3
2020	13.2	--	1,518	84.7	98,085	69.6
Totals						
2019	100.0	100.0	344	100.0	54,621	100.0
2020	100.0	100.0	1,792	100.0	140,950	100.0
<i>Source: 2019 & 2020 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Community Development Loans

Bangor Savings Bank has made a relatively high level of community development loans in the assessment area. During the evaluation period, the bank originated 25 community development loans totaling approximately \$20.3 million that directly benefited the assessment area. This represents 18.2 percent of the bank’s community development lending within the State of ME. Community development lending in this area slightly decreased as compared to the prior evaluation period. Below are notable examples of the bank’s community development lending in the ME Non-MSA during the evaluation period.

- In 2018, the bank originated a loan for \$4.0 million to fund the development of a 29-unit affordable housing project in Augusta, ME. All of the units will be available for low- or moderate-income individuals or families. The project is being developed under the LIHTC credit program.
- In 2020, the bank renewed a \$2.0 million line of credit to a Federally Qualified Health Center that primarily serves the Katahdin region. The health center provides care to uninsured and underserved patients throughout the region, with the majority from low- and moderate-income households.

INVESTMENT TEST

The bank demonstrated excellent Investment Test performance in the ME Non-MSA. This assessment area also benefitted from qualified investments receiving credit at the statewide level. Therefore, the relatively lower level of qualified investments specifically targeting the ME Non-MSA does not negatively affect the State of ME Investment Test rating. The following sections discuss the bank's performance under each factor.

Investment and Grant Activity

The institution has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. The bank made 95 qualified investments in the area, including 11 prior period investments totaling approximately \$7.2 million and 84 grants or donations totaling approximately \$297,000. This equates to 19.9 percent of the bank's total qualified investments in the State of ME. The following are notable examples of qualified investments specifically benefitting the ME Non-MSA.

- *#ConnectKidsNow! (ME Department of Education)* – Bangor Savings Foundation provided a \$50,000 grant in 2020 that was highly responsive to the needs of children from low- and moderate-income families during the COVID-19 pandemic. As noted previously, a community contact indicated the area has significant challenges due to limited internet connectivity. The #ConnectKidsNow! initiative was a joint effort by public, private, and non-profit entities to secure immediate internet access and devices to children for remote learning due to the pandemic preventing in-person public education. The initiative resulted in access provided to over 23,000 households and over 10,000 mobile Wi-Fi or tablet devices provided to low- and moderate-income families.
- *Waterville Area Habitat for Humanity* – The bank provided a \$20,000 donation during the evaluation period to this nonprofit organization that supports the creation of affordable housing. The organization specifically funds housing construction and renovation projects to provide subsidized homeownership opportunities to low-income families.
- *SCORE Foundation* – The bank provided over \$20,000 in donations to this nonprofit throughout the evaluation period. The organization provides free business advice, technical assistance, and technology and administrative support to start-up and small businesses. The donation qualifies as economic development by supporting technical assistance and supportive services to small businesses.
- *Axiom Education & Training Center* – The Bangor Savings Bank Foundation provided a \$12,500 grant to support the ME Digital Inclusion Initiative. The initiative provides three years of free digital literacy instruction to over 9,640 low- and moderate-income senior and underemployed adults. This grant is particularly responsive considering the heightened need for digital literacy after the COVID-19 pandemic increased the importance of digital literacy with reduced in-person contact.

Responsiveness to Credit and Community Development Needs

The bank exhibits excellent responsiveness to the credit and community development needs of the assessment area. The bank's equity investments targeted affordable housing, underserved middle-income nonmetropolitan areas, and economic development, which are identified community development needs in the area as indicated by a community contact. Furthermore, as noted in the preceding examples, grants and donations targeted the ME Non-MSA's unique needs related to internet connectivity and digital access. The bank's substantial donations at the onset of the pandemic to address these needs primarily support the conclusion.

Community Development Initiatives

The bank makes significant use of innovative and complex investments to support community development initiatives in the area. As previously mentioned, the bank made investments in a number of complex and innovative investment products. Of the 12 equity investments in the ME Non-MSA, 2 are LIHTCs, 8 are American Recovery and Reconstruction Act tax credit investments, 1 is a New Market tax credit investment, and 1 was an equity equivalent investment for economic development. These investments have characteristics that make them less likely to be routine investments, as previously described in the overall Investment Test discussion.

SERVICE TEST

The bank demonstrated adequate Service Test performance in the ME Non-MSA. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the bank's assessment area. The bank operates 30, or 46.2 percent, of its 65 full-service branches in the ME Non-MSA assessment area. Of the 30 branches, 2 are located in moderate-income areas and 3 are located in middle-income underserved nonmetropolitan areas. The percentage of bank branches and ATMs in moderate-income geographies is below demographic comparators.

Branch and ATM Distribution by Geography Income Level								
Assessment Area: ME Non-MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	17	10.2	44,317	8.1	2	6.7	2	6.7
Middle	123	73.7	420,921	76.9	24	80.0	24	80.0
Upper	22	13.2	80,204	14.7	3	10.0	3	10.0
NA	5	3.0	1,935	0.3	1	3.3	1	3.3
Totals	167	100.0	547,377	100.0	30	100.0	30	100.0
<i>Source: 2015 ACS & Bank Data Due to rounding, totals may not equal 100.0%</i>								

Changes in Branch Locations

To the extent changes have been made, the bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate income individuals. With the Damariscotta Bank and Trust merger, the bank acquired five branches: four in middle-income census tracts and one in an upper-income census tract. Additionally, the bank closed two branches: one in an upper-income census tract and one in a middle-income census tract. Since the bank added branches in upper- and middle-income census tracts, the percentage of branches in moderate-income census tracts declined.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals. Services, business hours, and loan and deposit products offered are consistent with the discussion in the overall and State of ME sections.

Community Development Services

The bank provides an adequate level of community services in this assessment area. Of the 163 services provided in ME, 42 (25.8 percent) are in the ME Non-MSA. A significant number of the area's qualified community services were community service efforts including supporting essential services in underserved middle-income nonmetropolitan geographies. Following are examples of community development services benefitting this assessment area.

- Throughout the evaluation period, a bank employee provided professional expertise as a Board member for a western ME nonprofit organization that provides community services targeted to low- and moderate-income individuals. The organization provides financial education, credit counseling, and free tax preparation services.

- In 2020, a bank employee served on the Board of an affordable housing organization that builds affordable housing in the ME Non-MSA assessment area. The organization also serves low- and moderate-income families through subsidized weatherization and home repairs.
- In 2019, a bank employee served on the Board of an economic development corporation. The corporation offers small business loan programs for the purpose of business expansion, equipment financing, or working capital.

BANGOR ME, MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN BANGOR, ME MSA

The Bangor, ME MSA consists of all 51 cities and towns within Penobscot County. The bank operates 11, or 16.9 percent, of its 65 full-service branches in this area. The bank offers the same products and services in the Bangor, ME MSA as discussed in the combined assessment area section.

Economic and Demographic Data

The Bangor, ME MSA contains 46 census tracts with the following income designations.

- 8 moderate-income tracts,
- 27 middle-income tracts,
- 10 upper-income tracts, and
- 1 census tract with no income designation.

The following table illustrates select demographic characteristics of the Bangor, ME MSA.

Demographic Information of the Assessment Area						
Bangor, ME MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	46	0.0	17.4	58.7	21.7	2.2
Population by Geography	153,437	0.0	16.4	56.3	24.3	3.0
Housing Units by Geography	74,196	0.0	18.6	58.2	22.4	0.8
Owner-Occupied Units by Geography	41,889	0.0	13.4	61.0	25.3	0.3
Occupied Rental Units by Geography	20,084	0.0	27.3	48.4	22.4	1.9
Vacant Units by Geography	12,223	0.0	22.1	64.8	12.6	0.5
Businesses by Geography	9,290	0.0	20.7	49.5	28.8	1.0
Farms by Geography	333	0.0	8.7	67.0	24.0	0.3
Family Distribution by Income Level	38,306	21.1	17.7	20.5	40.7	0.0
Household Distribution by Income Level	61,973	24.9	16.7	16.3	42.1	0.0
Median Family Income MSA - 12620 Bangor, ME MSA	\$56,891		Median Housing Value			\$135,373
			Median Gross Rent			\$733
			Families Below Poverty Level			10.6%

Source 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

Examiners used the 2019 and 2020 FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents low-, moderate-, middle-, and upper-income categories for the Bangor, ME MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$66,600)	<\$33,300	\$33,300 to <\$53,280	\$53,280 to <\$79,920	≥\$79,920
2020 (\$64,400)	<\$32,200	\$32,200 to <\$51,520	\$51,520 to <\$77,280	≥\$77,280
<i>Source: FFIEC</i>				

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. According to 2020 D&B data, there were 9,290 businesses in the assessment area. GARs for these businesses are below.

- 78.5 percent have \$1 million or less.
- 6.9 percent have more than \$1 million.
- 14.7 percent have unknown revenues.

The BLS reports an unemployment rate of 5.0 percent for the Bangor, ME MSA as of June 2021. The Bangor, ME MSA monthly unemployment rate fluctuated between 2.2 percent and 9.2 percent during the evaluation period. The highest unemployment rate occurred in May 2020 as a result of the COVID-19 pandemic.

Competition

The Bangor, ME MSA has a relatively low level of competition for financial services. According to 2020 FDIC Deposit Market Share data, 9 financial institutions operated 43 full-service branches within the area. Of these institutions, Bangor Savings Bank ranked 1st with a 41.8 percent deposit market share.

The area has notable competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2020, 167 lenders reported 6,246 residential mortgage loans originated or purchased in the Bangor, ME MSA. The three most prominent home mortgage lenders, which includes Bangor Savings Bank as the top lender, accounted for 32.7 percent of total market share. Competition also exists for small business loans among financial institutions. In 2020, 73 lenders reported 3,466 small business loans originated in the area.

Community Contact

The community contact from the Bangor, ME MSA, a community development corporation focused on lending to start-ups and other non-conventional business borrowers, identified the lack of affordable housing and the effects on businesses from the COVID-19 pandemic as key concerns. The contact noted that there is limited affordable housing rentals. Additionally, high closing costs and increasing home prices present homeownership challenges for qualified low- and moderate-income applicants. The contact also noted that food insecurity and homelessness

has grown in the Bangor, ME MSA, particularly in the City of Bangor. Overall, the contact stated that local financial institutions were receptive to meeting the area's lending and community development needs. However, the contact indicated businesses face challenges in obtaining loans for vacant land purchases, which many banks view as riskier loans.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and economic and demographic data, examiners determined that home mortgage and small business loans represent primary credit needs. Community services for low- and moderate-income individuals, affordable housing, and economic development represent primary community development needs in the Bangor, ME MSA. The significant number of businesses with GARs of less than \$1.0 million, the high poverty level, and the decrease of available affordable housing support this conclusion. Opportunities exist for banks to meet these credit and community development needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN BANGOR, ME MSA

LENDING TEST

Bangor Savings Bank demonstrated excellent performance under the Lending Test in the Bangor, ME, MSA. The following sections address bank performance under each factor.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs. The bank originated 939 home mortgage loans totaling \$123.0 million in 2019 and 1,285 loans totaling \$202.1 million in 2020 in the Bangor, ME MSA. In addition to the increasing trend from 2019 to 2020, bank home mortgage lending significantly exceeded bank lending activity from the prior evaluation. Bangor Savings Bank ranked 1st out of 166 lenders, holding a 21.6 percent market share in 2019. The 2nd ranked lender had a 5.0 percent market share, showing that the bank dominated the home mortgage lending market in 2019. In 2020, the bank again ranked 1st out of 167 lenders with a 21.0 percent market share, with Quicken Loans ranked 2nd holding a 6.2 percent market share.

The bank originated 243 small business loans totaling \$37.2 million in 2019 and 910 loans totaling \$104.2 million in 2020. As noted previously, PPP lending explains the significant increase in originations from 2019 to 2020. The bank also significantly increased small business lending activity during the current review period compared to the prior evaluation's review period.

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the assessment area. This conclusion is supported by excellent home mortgage and small business lending in the area's moderate-income census tracts, as there are no low-income census tracts within the Bangor, ME MSA.

Home Mortgage

The geographic distribution of home mortgage loans reflects excellent penetration throughout the assessment area. In both 2019 and 2020, the bank's performance slightly exceeded aggregate data, but was below the percentage of owner-occupied housing units within moderate-income census tracts. Bangor Savings Bank ranked 1st in moderate-income tracts for both 2019 and 2020 with 23.2 percent and 22.8 percent market shares, respectively. The bank significantly outperformed the 2nd ranked lender in each year.

Geographic Distribution of Home Mortgage Loans						
Bangor, ME MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
Moderate						
2019	13.4	10.0	98	10.4	13,655	11.1
2020	13.4	8.9	118	9.2	20,273	10.0
Middle						
2019	61.0	--	508	54.1	61,823	50.2
2020	61.0	58.3	709	55.2	106,619	52.8
Upper						
2019	25.3	--	332	35.4	47,444	38.6
2020	25.3	32.7	455	35.4	74,589	36.9
Not Available						
2019	0.3	--	1	0.1	123	0.1
2020	0.3	0.2	3	0.2	613	0.3
Totals						
2019	100.0	--	939	100.0	123,045	100.0
2020	100.0	100.0	1,285	100.0	202,093	100.0
<i>Source: 2015 ACS; Bank Data, HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. The bank's performance in moderate-income tracts exceeded aggregate lending in both 2019 and 2020. In 2020, the bank's number and percentage of loans in moderate-income tracts increased notably and also exceeded the percentage of businesses in moderate-income geographies.

Geographic Distribution of Small Business Loans						
Bangor, ME MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
Moderate						
2019	20.4	13.1	40	16.5	5,926	15.9
2020	20.7	13.2	203	22.3	28,092	27.0
Middle						
2019	49.3	57.3	125	51.4	18,344	49.3
2020	49.5	56.1	437	48.0	40,316	38.7
Upper						
2019	29.2	29.4	77	31.7	12,857	34.5
2020	28.8	30.5	266	29.2	35,355	33.9
Not Available						
2019	1.0	0.2	1	0.4	100	0.3
2020	1.0	0.2	4	0.4	441	0.4
Totals						
2019	100.0	100.0	243	100.0	37,227	100.0
2020	100.0	100.0	910	100.0	104,203	100.0

Source: 2019 & 2020 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Borrower Profile

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

Home Mortgage

The distribution of home mortgage loans reflects excellent penetration among borrowers of different income levels. In 2019, the bank's lending performance to low-income individuals was slightly below aggregate data and below demographic data. In 2020, the bank's lending to low-income individuals increased by number and slightly exceeded aggregate lending. The bank ranked 1st in lending to low-income borrowers both years with a 19.1 percent market share in 2019 and a 22.9 percent market share in 2020. The bank significantly outperformed the 2nd ranked lender in each year, supporting the excellent conclusion.

Bank lending to moderate-income individuals slightly exceeded demographic data and was comparable to aggregate performance in 2019. Lending to moderate-income borrowers in 2020

slightly exceeded aggregate lending despite trailing demographics. As with lending to low-income borrowers, Bangor Savings Bank ranked 1st in lending to moderate-income borrowers in 2019 and 2020 with markets shares of 21.7 percent and 21.5 percent. The bank significantly outperformed the 2nd ranked lender in each year, supporting the excellent conclusion.

Distribution of Home Mortgage Loans by Borrower Income Level						
Bangor, ME MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	21.1	6.7	57	6.1	3,906	3.2
2020	21.1	4.3	62	4.8	4,387	2.2
Moderate						
2019	17.7	18.4	174	18.5	16,203	13.2
2020	17.7	13.3	179	13.9	19,089	9.4
Middle						
2019	20.5	20.8	183	19.5	20,126	16.4
2020	20.5	19.9	277	21.6	36,578	18.1
Upper						
2019	40.7	36.6	438	46.6	64,653	52.5
2020	40.7	41.3	660	51.4	115,677	57.2
Not Available						
2019	0.0	17.6	87	9.3	18,157	14.8
2020	0.0	21.2	107	8.3	26,362	13.0
Totals						
2019	100.0	100.0	939	100.0	123,045	100.0
2020	100.0	100.0	1,285	100.0	202,093	100.0
<i>Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

Small Business

The distribution of small business loans reflects excellent penetration among businesses of different sizes. In 2019, lending to businesses with GARs of \$1.0 million or less exceeded aggregate performance, but was below the percentage of businesses. Aggregate lending is weighted heavier for comparison as it best represents the demand for small business loans among this category of businesses. Although the percentage of loans to businesses with GARs of \$1.0 million or less dropped notably in 2020, PPP lending skewed bank performance. PPP loans comprised over 80 percent of the bank’s 910 small business loans in 2020, and the bank does not collect revenue data on these loans. Among non-PPP loans, the bank made 58.0 percent to businesses with GARs of \$1 million or less, which is in line with excellent performance based on the aggregate comparison.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Bangor, ME MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	77.0	45.9	135	55.6	9,781	26.3
2020	78.5	34.5	101	11.1	7,205	6.9
>\$1,000,000						
2019	7.6	--	97	39.9	26,866	72.2
2020	6.9	--	68	7.5	20,105	19.3
Revenue Not Available						
2019	15.4	--	11	4.5	580	1.6
2020	14.7	--	741	81.4	76,893	73.8
Totals						
2019	100.0	100.0	243	100.0	37,227	100.0
2020	100.0	100.0	910	100.0	104,203	100.0
<i>Source: 2019 & 2020 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Community Development Lending

Bangor Savings Bank is a leader in making community development loans in the Bangor, ME MSA assessment area. During the review period, the bank originated 45 community development loans totaling \$22.5 million in this area. Refer to the ME rated area section for a breakdown of loans by community development purpose in the Bangor, ME MSA. The following are representative examples of community development loans made in this assessment area during the evaluation period.

- The bank provided a \$550,000 line of credit to a non-profit housing development organization that acquires, develops, and manages low-income housing units. The organization owns 5 complexes encompassing 250 affordable units. The loans receives community development credit because it promotes affordable housing for low-income individuals, responding to a significant area need.
- The bank provided a new term loan for \$500,000 in 2019 to a Bangor, ME based CDFI that provides financing to start-up and expanding businesses within revenue limits in low- and moderate income geographies. The organization provides funding to hundreds of micro-business owners annually, with a focus on businesses in Penobscot County. The loan receives community development credit because it promotes economic development by providing financing to small businesses.

INVESTMENT TEST

The bank demonstrated excellent performance under the Investment Test in the Bangor, ME MSA. Many qualified investments receiving credit at the ME statewide level also benefitted the Bangor, ME MSA. Therefore, the relatively lower level of qualified investments specifically benefitting the Bangor, ME MSA does not negatively affect the Investment Test rating for ME.

Investment and Grant Activity

The bank has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. Qualified investments in the Bangor, ME MSA total approximately \$2.1 million. Bangor Savings Bank made one new investment for approximately \$900,000 and maintained four prior period investments for approximately \$707,000 that directly support the assessment area. The bank also made 59 qualified grants and donations totaling approximately \$441,000 during the evaluation period. The investments primarily support revitalization and stabilization, economic development, and community services. This area also benefits from \$26.4 million in qualified investments and grants that support the statewide area. Below are notable examples of qualified investments specifically benefitting the Bangor, ME MSA.

- *New Market Tax Credit* – In 2019, the bank invested \$904,772 in a New Market Tax Credit fund that financed the renovation and expansion of Millinocket Memorial Library. The library is located in a moderate-income census tract. The investment qualifies as it supports revitalization and stabilization of a moderate-income census tract.
- *Bangor Angel Fund III* – The bank continues to hold a \$250,000 investment from 2018 in a Community Development Venture Capital fund providing non-traditional financing for small and start-up businesses that support job creation and retention for low- and moderate-income individuals.
- *Eastern ME Development Corporation (EMDC)* – The bank and Bangor Savings Bank Foundation collectively provided over \$20,500 in grants donations to this nonprofit organization throughout the evaluation period. EMDC provides loans, technical assistance, and technology and administrative support to small businesses. The donation qualifies as economic development by supporting lending, technical assistance, and supportive services to small businesses.

Responsiveness to Credit and Community Development Needs

The bank exhibits excellent responsiveness to credit and community development needs. Qualified investments directly benefitting the Bangor, ME MSA primarily supported economic development and community services targeted to low- and moderate-income people. These are both key community development needs in the area. Further, the bank's substantial affordable housing investments benefitting all of ME also reflect strong responsiveness to the area's most significant community development need, as many of these statewide investments expanded affordable housing in the Bangor, ME MSA. Last, the New Market Tax Credit (NMTC)

investment discussed above occurred in a moderate-income census tract in a community that has difficulty obtaining private investment in developments that attract or retain residents and businesses.

Community Development Initiatives

The bank makes significant use of innovative and/or complex investments to support community development initiatives. In addition to statewide investments benefitting this assessment area that reflect innovativeness and complexity, the bank also made a NMTC in this area. NMTCs have increased complexity because they combine with other federal, state, and local funding sources in order to fully finance the NMTC project. Refer to overall Investment Test comments for further details on the innovativeness and complexity of regional and statewide investments that in part benefitted this area.

SERVICE TEST

Bangor Savings Bank demonstrated good performance under the Service Test in the Bangor, ME MSA. The following sections address bank performance under each factor.

Accessibility of Delivery Systems

The bank’s delivery systems are readily accessible to all portions of the assessment area. The following table shows that Bangor Savings Bank’s branch and ATM distribution in moderate-income geographies exceeds the distribution of census tracts and population in these geographies.

Branch and ATM Distribution by Geography Income Level								
Bangor, ME MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	8	17.4	25,230	16.4	3	27.3	3	27.3
Middle	27	58.7	86,317	56.3	4	36.4	4	36.4
Upper	10	21.7	37,308	24.3	3	27.3	3	27.3
NA	1	2.2	4,582	3.0	1	9.1	1	9.1
Totals	46	100.0	153,437	100.0	11	100.0	11	100.0
<i>Source: 2015 ACS & Bank Data Due to rounding, totals may not equal 100.0%</i>								

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank closed a Bangor branch in a moderate-income census tract in May 2020, but also opened another Bangor branch in the same census tract the same day. The change had no material effect on the accessibility of delivery systems.

Reasonableness of Business Hours and Services

Services (including where appropriate, business hours) vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. The bank offers all its products and services at each branch in this assessment area. The bank offers standard branch hours that are comparable to other institutions, with only slight variations such as some closing at 4:00 P.M. and others closing at 5:00 P.M. While six branches offer morning lobby hours on Saturday, none of the branches in moderate-income census tracts offer Saturday lobby hours. All branches have a 24-hour ATM and a drive-up window.

Community Development Services

The institution provides a relatively high level of community development services in the Bangor, ME MSA. As noted in the State of ME Service Test discussion, the bank had 64 instances of community development services in the Bangor, ME MSA, which is 39.3 percent of community development services provided in ME. Most community development instances in this area supported community services targeted to low- and moderate-income individuals, followed by economic development and affordable housing. These community development categories all reflect key needs identified by the community contact for this assessment area.

The number of community development services in this assessment area declined from 95 at the prior evaluation. As noted previously, the COVID-19 pandemic contributed to the decrease in community development services due to employees working remotely. The following examples represent notable community development services benefitting the Bangor, ME MSA.

- A bank vice president served throughout the evaluation period as President of the Board for a nonprofit organization dedicated to affordable housing for low-income families. The organization funds housing construction and renovation projects to provide subsidized homeownership opportunities to low-income families. The employee's role as Board President demonstrates bank leadership in providing support and technical expertise to a community development organization.
- A bank vice president served on the Board of non-profit entity that provides financial expertise and supportive services to small businesses. The bank employee served in this role throughout the evaluation period, offering technical expertise to the organization and to the small businesses it serves. The service qualifies as the bank employee provided technical expertise to an organization with a primary purpose of economic development.

NEW HAMPSHIRE

CRA RATING FOR NEW HAMPSHIRE: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW HAMPSHIRE

Bangor Savings Bank has three assessment areas within NH:

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Rockingham County-Strafford County, NH MD	Rockingham and Strafford	91	2
Manchester-Nashua, NH MSA	Hillsborough	86	2
NH Non-MSA	Coos, and Merrimack; Essex, VT	34	3
<i>Source: Bank Data</i>			

These areas combined comprise the southeastern portion and the most northern portion of NH. The bank's NH assessment areas expanded since the previous FDIC CRA evaluation to include all of the Manchester-Nashua, NH MSA and all of the Rockingham-Strafford, NH MD.

SCOPE OF EVALUATION – NEW HAMPSHIRE

Examiners performed a full-scope review of the Rockingham County-Strafford County NH, MD area and limited-scope reviews of the Manchester-Nashua, NH MSA and NH Non-MSA assessment areas. None of these areas has a significant portion of bank deposits, lending activity, or branches. Performance in NH received significantly less weight than performance in ME, as NH contains substantially fewer bank deposits, lending activity, and branches compared to ME. Furthermore, the bank did not operate any branches in NH until April 2018. The prior evaluation performed a full-scope review of the NH Non-MSA area and limited-scope reviews of the Rockingham County-Strafford County NH, MD and Manchester-Nashua, NH MSA areas.

The following table shows a breakdown of 2020 lending activity, deposits, and branches in NH by assessment area.

NH Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Rockingham County- Strafford County NH, MD	97,872	54.1	50,291	19.3	2	28.6
Manchester-Nashua, NH MSA	48,499	26.8	57,499	22.1	2	28.6
NH Non-MSA	34,618	19.1	152,504	58.6	3	42.8
Total	180,989	100.0	260,294	100.0	7	100.0

Source: 2020 Bank HMDA and CRA Data; FDIC Summary of Deposits (06/30/2020); Bank Data

Please refer to the overall Scope of Evaluation section for products reviewed, timeframe, and product weighting.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW HAMPSHIRE

LENDING TEST

The bank’s Lending Test performance is rated High Satisfactory. The bank had consistent performance in the Rockingham Strafford County NH, MD and the Manchester-Nashua NH, MSA, which primarily supports the NH Lending Test rating. Bank performance in the NH Non-MSA assessment area exceeded statewide performance under the Lending Test. The following sections discuss the bank’s performance under each criterion.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs. Consistent performance in all NH assessment areas supports this conclusion. The following comments summarize bank lending activity in all assessment areas combined.

Home Mortgage Loans

Bangor Savings Bank originated 212 home mortgage loans totaling \$62.5 million in 2019 and 450 loans totaling \$118.8 million in 2020 in NH assessment areas.

Small Business Loans

For small business loans, the bank originated 148 loans totaling \$26.7 million in 2019 and 600 loans totaling \$61.9 million in 2020. The significant increase in lending from 2019 to 2020, which is attributed to PPP lending, reflects positively on bank performance.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout NH. Adequate performance in the Rockingham County-Strafford County NH, MD primarily supports this conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different size. Good penetration in the Rockingham Strafford County NH, MD supports this conclusion.

Innovative or Flexible Lending Practices

The bank uses innovative and/or flexible lending practices in order to serve NH credit needs. Bangor Savings Bank offers several residential and business programs targeted to low- or moderate-income individuals and small businesses. All innovative and flexible programs offered by the bank as discussed in the overall section are offered in the State of NH, with the exception of Maine-specific programs. Additionally, the bank offers the following innovative and/or flexible lending program specifically in NH.

- *NH Business Finance Authority (BFA)* – NHBFA programs include a Capital Access Program for growing small businesses and start-ups in NH, and a loan guarantee of up to 75 percent for working capital lines of credit up to \$2 million. The bank has utilized NHBFA programs to mitigate credit risks associated with new businesses, collateral shortfalls, and equity deficiencies of small businesses.

Community Development Loans

The bank made a relatively high level of community development loans within the State of NH. The bank originated three community development loans totaling \$13.0 million within NH. This is an increase from the last evaluation, at which time the bank made no community development loans within NH. The following table reflects community development loans by NH assessment area and purpose

Community Development Lending by New Hampshire Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Rockingham County- Strafford County, NH MD	1	12,400	0	0	1	435	0	0	2	12,835
Manchester- Nashua NH, MSA	1	150	0	0	0	0	0	0	1	150
NH Non-MSA	0	0	0	0	0	0	0	0	0	0
Total	2	12,550	0	0	1	435	0	0	3	12,985
<i>Source: Bank Data</i>										

Refer to the Rockingham County-Strafford County, NH MSA assessment area Lending Test discussion for a description of the bank’s most notable community development loan in NH.

INVESTMENT TEST

The bank’s Investment Test performance is rated High Satisfactory in the State of NH. Bangor Savings Bank had consistent performance in the NH assessment areas. The following sections discuss the bank’s performance under each criterion.

Investment and Grant Activity

The bank has a good level of qualified community development investments and grants in the State of NH. Qualified investments, donations, and grants specifically benefitting NH assessment areas totaled approximately \$176,000. However, NH also benefitted from regional-qualified investments that supported NH assessment areas. As noted in the overall section, Bangor Savings Bank made or maintained 12 investments totaling \$12.8 million during the review period. In 2020, temporary closures and moratoriums on programs due to COVID-19 also influenced the availability of qualified investment opportunities.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Rockingham County-Strafford County NH, MD	4	5	12	35	0	0	0	0	16	40
Manchester-Nashua NH, MSA	0	0	16	91	0	0	0	0	16	91
NH Non-MSA	5	5	14	36	1	5	0	0	20	45
Total	9	10	42	162	1	5	0	0	52	176
<i>Source: Bank Data</i>										

Please refer to the Rockingham County-Strafford County NH, MD assessment area section for examples of qualified donations, as this is the only NH assessment area that received a full-scope review.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community development needs. A significant amount of qualified donations benefited community services. Additionally, \$12.3 million of regional-qualified investments support affordable housing. A community contact in the Rockingham County-Strafford County NH, MD assessment area noted that the area has significant affordable housing needs. The bank’s regional investments promoting affordable housing reflect positively on the responsiveness to needs in the State of NH, as these investments supported projects that increased the availability of affordable rental units in NH.

Community Development Initiatives

The institution occasionally uses innovative and/or complex investments to support community development initiatives within NH. The bank did not make any innovative or complex

investments specifically targeting NH; however, complex investments qualified at the regional level supported community development initiatives within NH in addition to ME. Refer to the overall Investment Test discussion for additional information.

SERVICE TEST

The bank's NH rated area Service Test performance area is rated Low Satisfactory. Consistent performance in all NH assessment areas support this conclusion. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

The bank's delivery systems are readily accessible to all portions of the institution's assessment areas and is consistent with the bank's overall delivery and accessibility. Of the bank's 65 full service branches, 7 branches are in the State of NH. Of the seven branches, two (28.6 percent) are located in a moderate-income geography, and two others are adjacent and readily accessible to moderate-income geographies.

Changes in Branch Locations

To the extent changes have been made, Bangor Savings Bank's opening and closing of branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals and is consistent with the bank's overall branch distribution. The bank opened three NH branches during the review period, include one in Manchester in a moderate-income census tract, improving the distribution of branches in moderate-income geographies.

Reasonableness of Business Hours and Services

Bangor Savings Bank's retail services do not vary in a way that inconveniences certain portions of the combined assessment area. Branch hours and services offered are consistent and comparable to other institutions. Each of the branches in moderate-income census tracts offer Saturday lobby hours.

Community Development Services

Bangor Savings Bank provides a limited level of community development services in the State of NH. Consistent performance within the NH assessment areas support this conclusion. The bank had 28 instances of community development services within NH, which is an increase from 7 instances at the last evaluation. Additionally, bank management indicated the COVID-19 pandemic limited the bank's ability to expand community development services in NH as it had planned. The following table indicates NH community development services by assessment area and category.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
Rockingham County- Strafford County, NH MD	5	4	5	0	14
NH Non-MSA	0	3	10	0	13
Manchester-Nashua NH, MSA	0	1	0	0	1
Total	5	8	15	0	28
<i>Source: Bank Data</i>					

ROCKINGHAM COUNTY-STRAFFORD COUNTY, NH MD – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ROCKINGHAM COUNTY-STRAFFORD COUNTY, NH MD

This area comprises Rockingham and Strafford Counties, NH. The bank has two branches in this area, both located in the City of Portsmouth. The bank also maintains a loan production office in Portsmouth. Rockingham County is NH’s second most populated county.

Economic and Demographic Data

The Rockingham County-Strafford County, NH MD contains 91 census tracts with the following income designations.

- 1 low-income tract,
- 19 moderate-income tracts,
- 49 middle-income tracts,
- 20 upper-income tracts, and
- 2 census tracts with no income designation.

The number of tracts and the income designations have not changed since the last CRA evaluation. The following table illustrates select demographic characteristics of the area.

Demographic Information of the Assessment Area						
Rockingham County-Strafford County, NH MD Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	91	1.1	20.9	53.8	22.0	2.2
Population by Geography	424,279	1.4	20.9	56.8	20.9	0.0
Housing Units by Geography	180,231	1.8	23.6	55.2	19.4	0.0
Owner-Occupied Units by Geography	120,987	1.1	17.7	59.2	22.1	0.0
Occupied Rental Units by Geography	44,257	3.5	36.4	47.4	12.8	0.0
Vacant Units by Geography	14,987	2.5	33.5	46.2	17.8	0.0
Businesses by Geography	46,015	1.4	17.5	58.3	22.5	0.3
Farms by Geography	1,407	0.4	13.9	61.1	24.4	0.1
Family Distribution by Income Level	113,303	19.1	18.3	23.0	39.7	0.0
Household Distribution by Income Level	165,244	22.9	16.6	19.2	41.3	0.0
Median Family Income MSA - 40484 Rockingham County-Strafford County, NH		\$90,150	Median Housing Value			\$271,893
			Median Gross Rent			\$1,084
			Families Below Poverty Level			4.4%

*Source: 2015 ACS and 2020 D&B Data. Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.*

According to 2020 D&B data, there were 46,015 businesses in the assessment area. GARs for these businesses follow.

- 87.9 percent have \$1 million or less.
- 4.5 percent have more than \$1 million.
- 7.6 percent have unknown revenues.

Service industries represent the largest portion of businesses at 35.5 percent, followed by non-classifiable establishments at 21.7 percent, and retail trade 11.4 percent. Additionally, 61.5 percent of area businesses have four or fewer employees and 91.7 percent operate out of a single location.

The following table presents the low-, moderate-, middle-, and upper-income categories relevant to the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Rockingham County-Strafford County, NH Median Family Income				
2019 (\$103,200)	<\$51,600	\$51,600 to <\$82,560	\$82,560 to <\$123,840	≥\$123,840
2020 (\$106,600)	<\$53,300	\$53,300 to <\$85,280	\$85,280 to <\$127,920	≥\$127,920
<i>Source: FFIEC</i>				

The Rockingham County-Strafford County, NH MD has a median housing value of \$271,893, which is higher than the statewide median house price. This area also has a relatively low level of poverty, with 4.4 percent of families at or below the poverty line. BLS data indicates that the unemployment rate for 2019 was 4.3 percent statewide and a record low of 3.5 percent nationwide. In 2020, unemployment rates changed dramatically, which is attributed to the COVID-19 pandemic. The average unemployment rate for 2020 was 7.2 percent in the area compared to 8.3 percent nationwide.

Competition

The Rockingham County-Strafford County, NH MD has a high level of competition for financial services. According to 2020 FDIC Deposit Market Share data, 28 financial institutions operated 121 full-service branches within the area. Of these institutions, Bangor Savings Bank ranked 19th with a 0.4 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2020, 390 lenders reported 30,391 residential mortgage loans originated or purchased in the area. Bangor Savings Bank ranked 31st with a market share of 0.8 percent.

Competition for small business loans among financial institutions is also high. In 2020, 136 lenders reported 12,971 small business loans originated in the area. The top three lenders, all of which are large national or regional banks, held 38.6 percent of the market share.

Community Contact

Examiners contacted an affordable housing organization from the Rockingham County-Strafford County NH, MD. The contact stated that there is a significant need for affordable rental housing, particularly multifamily housing. The organization relies on state funds for its affordable housing development projects. However, due to the high development costs for housing, there is a need for additional funding, such as LIHTCs or other investments. The contact noted that the high level of competition and lengthy application process for the limited supply of LIHTC awards causes delays in completing affordable housing projects. Last, the contact indicated there is opportunity and a need for community banks to invest in affordable housing projects.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, economic and demographic data, and bank management, examiners determined that affordable housing, home mortgage and small business loans, and essential services for low- and moderate-income individuals represent the primary credit and community development needs in the area. The significant number of businesses with GARs of less than \$1.0 million, increased unemployment levels due to the pandemic, and the decrease of available affordable housing support this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ROCKINGHAM COUNTY-STRAFFORD COUNTY, NH MD

LENDING TEST

The bank demonstrated good performance under the Lending Test in the Rockingham County-Strafford County, NH MD assessment area. The following sections discuss the bank's performance under each criterion.

Lending Activity

The bank's lending levels reflect good responsiveness to assessment area credit needs. Bangor Savings Bank originated 109 loans totaling \$39.9 million in 2019 and 256 loans totaling \$74.2 million in 2020. As noted above in the Competition section, the bank ranked 31st out of 390 lenders. The increasing trend and relatively high rank supports good performance, especially considering competition in the area.

For small business lending, the bank originated 57 loans totaling \$11.5 million in 2019 and 226 loans totaling \$23.7 million in 2020 within the Rockingham County-Strafford County, NH MD. PPP lending explains the substantial increase from 2019 to 2020. In addition to the increasing trend, lending activity during the review period reflects a substantial increase in small business lending in this area compared to the prior review period.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Rockingham County-Strafford County, NH MD assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. In 2019, lending in low-income geographies was slightly less than aggregate performance and demographics in these tracts. In 2020, the bank’s lending percentage in these tracts decreased slightly and trailed both aggregate performance and demographics.

For moderate-income geographies, bank lending was above aggregate performance and comparable to demographics in 2019. In 2020, the bank doubled the number of loans in moderate-income areas, but the percentage dipped slightly below aggregate performance and below demographics due to the increase in total loan volume in 2020.

Geographic Distribution of Home Mortgage Loans						
Rockingham County-Strafford County, NH MD Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	1.1	1.2	1	0.9	94	0.2
2020	1.1	1.0	1	0.4	106	0.1
Moderate						
2019	17.7	17.1	19	17.4	3,929	9.9
2020	17.7	15.4	38	14.8	9,171	12.4
Middle						
2019	59.2	58.9	62	56.9	27,620	69.3
2020	59.2	59.1	145	56.6	40,313	54.4
Upper						
2019	22.1	22.7	27	24.8	8,222	20.6
2020	22.1	24.6	72	28.1	24,583	33.1
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
Totals						
2019	100.0	100.0	109	100.0	39,865	100.0
2020	100.0	100.0	256	100.0	74,172	100.0
<i>Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects poor penetration throughout the assessment area. As shown in the following table, the bank did not lend in low-income census tracts in 2019; however, the bank originated one loan in 2020 indicating a positive trend. In 2019, the bank's performance was below aggregate lending for moderate-income census tracts. Although the bank's lending activity increased in 2020 for moderate-income tracts, the percentage decreased due to a significant increase in total lending activity in the assessment area. The bank's lending activity in both low- and moderate-income census tracts trailed demographics.

Geographic Distribution of Small Business Loans						
Rockingham County-Strafford County, NH MD Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	1.5	0.9	0	0.0	0	0.0
2020	1.4	1.0	1	0.4	17	0.1
Moderate						
2019	17.9	16.0	6	10.5	1,799	15.6
2020	17.5	16.6	16	7.1	1,175	5.0
Middle						
2019	58.3	60.5	38	66.7	6,781	58.8
2020	58.3	60.2	143	63.3	17,215	72.6
Upper						
2019	22.0	22.2	13	22.8	2,953	25.6
2020	22.5	22.0	66	29.2	5,293	22.3
Not Available						
2019	0.3	0.3	0	0.0	0	0.0
2020	0.3	0.3	0	0.0	0	0.0
Totals						
2019	100.0	100.0	57	100.0	11,533	100.0
2020	100.0	100.0	226	100.0	23,700	100.0
<i>Source: 2019 & 2020 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among individuals of different income levels and businesses of different size. The bank's adequate home mortgage lending performance and excellent small business lending performance support this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. As shown in the following table, the bank's lending to low-income borrowers is below aggregate performance and demographics in 2019 and 2020. For moderate-income borrowers, the bank was below aggregate performance and demographics in 2019. However, the number and percentage of loans in these tracts increased substantially in 2020, slightly exceeding aggregate performance and the percentage of families.

Distribution of Home Mortgage Loans by Borrower Income Level						
Rockingham County-Strafford County, NH MD Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	19.1	6.7	2	1.8	168	0.4
2020	19.1	5.7	7	2.7	940	1.3
Moderate						
2019	18.3	20.3	11	10.1	2,171	5.4
2020	18.3	19.2	51	19.9	11,436	15.4
Middle						
2019	23.0	25.4	33	30.3	8,625	21.6
2020	23.0	25.0	62	24.2	16,662	22.5
Upper						
2019	39.7	34.1	47	43.1	12,425	31.2
2020	39.7	36.5	102	39.8	34,016	45.9
Not Available						
2019	0.0	13.5	16	14.7	16,476	41.3
2020	0.0	13.5	34	13.3	11,119	15.0
Totals						
2019	100.0	100.0	109	100.0	39,865	100.0
2020	100.0	100.0	256	100.0	74,172	100.0
<i>Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of borrowers reflects excellent penetration of loans to businesses with GARs of \$1.0 million or less. As shown in the following table, the bank's lending percentage to borrowers with GARs of \$1 million or less exceeded aggregate performance in 2019. Although the bank's lending trailed the percentage of businesses with GARs of \$1.0 million or less in both years, the bank made a significant number of PPP loans in 2020 with revenue not available. Banks were not required to collect revenue information for PPP loans, which explains the substantial portion of 2020 bank loans with revenue information not available. Among 2020

bank small business loans with revenue data, the bank made 69.4 percent to businesses with GARs of \$1 million or less, which is in line with excellent performance based on the comparison to aggregate performance.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Rockingham County-Strafford County, NH MD Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	84.7	44.5	33	57.9	6,718	58.3
2020	88.0	40.2	25	11.1	5,264	22.2
>\$1,000,000						
2019	5.9	--	24	42.1	4,815	41.8
2020	4.5	--	11	4.9	2,267	9.6
Revenue Not Available						
2019	9.4	--	0	0.0	0	0.0
2020	7.6	--	190	84.1	16,169	68.2
Totals						
2019	100.0	100.0	57	100.0	11,533	100.0
2020	100.0	100.0	226	100.0	23,700	100.0
<i>Source: 2019 & 2020 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Community Development Loans

Bangor Savings Bank has made a relatively high level of community development loans in the assessment area. During the evaluation period, the bank originated two community development loans totaling \$12.8 million that directly benefited this assessment area. The vast majority of community development loan dollars supported affordable housing. Specifically, the loan described below directly responds to the most significant need indicated by the area community contact, which is affordable rental housing. This bank’s community development lending within the assessment area is a significant increase by dollar amount compared to last evaluation.

The following example is the bank’s most impactful community development loan in this assessment area and the State of NH.

- In 2019, the bank originated a \$12.4 million commercial real estate loan to finance the purchase of a 150-unit multifamily affordable housing complex in Strafford County. Of the 150 units, 113 are designated as affordable, with 63 covered by HUD Section 8 subsidies. Developers originally constructed the housing complex through HUD LIHTC financing. This loan has a primary purpose of promoting affordable housing for low- and moderate-income individuals.

INVESTMENT TEST

Bangor Savings Bank demonstrated adequate performance under the Investment Test in this assessment area

Investment and Grant Activity

The institution has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The bank made 16 qualified investments for \$40,000 in the area, consisting solely of grants and donations. This is an increase in the Rockingham County-Strafford County, NH MD compared to the last evaluation. The following is an example of a qualified donation benefitting this assessment area.

- *Southeast NH Habitat for Humanity* – The bank donated \$3,500 during the evaluation period to this nonprofit organization that supports the creation of affordable housing. The organization specifically funds housing construction and renovation projects to provide subsidized homeownership opportunities to low-income families in the assessment area.

Responsiveness to Credit and Community Development Needs

The bank exhibits adequate responsiveness to the credit and community development needs of the assessment area. The bank's activities supported affordable housing and community services in the area. As noted previously, these community development needs, particularly affordable housing, were specifically indicated by the area community contact.

Community Development Initiatives

The institution rarely uses innovative and/or complex investments to support community development initiatives in the Rockingham County-Strafford County, NH MD. While the area benefitted from regional investments with some innovativeness and complexity, all qualified investments specifically benefitting this area consist of grants and donations.

SERVICE TEST

The bank demonstrated adequate Service Test performance in the Rockingham County-Strafford County, NH MD. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the bank's assessment areas. The bank operates 2 of its 65 full-service branches in the Rockingham County-Strafford County, NH MD. Though none of the bank's branches are located in low- or moderate-income areas, they are reasonably accessible to adjacent moderate-income geographies.

Changes in Branch Locations

To the extent changes have been made, the bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low-and moderate-income geographies and/or to low- and moderate income individuals.

Reasonableness of Business Hours and Services

Bangor Savings Bank's retail services do not vary in a way that inconveniences portions of the assessment area. The bank offers consistent products, services, and hours at each of the two branches located in this area.

Community Development Services

The bank provides a limited level of community development services. Of the 28 instances provided in NH, 14 (50.0 percent) are in the Rockingham County-Strafford County, NH MD. A significant number of the qualified community services in the area supported affordable housing and economic development. The following is an example of a community development service in this area.

- A bank manager provided professional expertise as a Board member throughout the evaluation period for a Rockingham County economic development corporation that provides financing at favorable terms to small businesses.

OTHER ASSESMENT AREAS - Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

As noted in the overall Scope of Evaluation section, examiners performed limited-scope reviews of the Manchester-Nashua, NH MSA assessment area and the NH Non-MSA assessment area due to the bank’s relatively low home mortgage and small business loan origination totals in these areas. The following table indicates whether the limited-scope area exceeds, is consistent with, or is below Bangor Savings Bank’s performance in the Rockingham County-Strafford County, NH MD assessment area, which received a full-scope review. Examiners determined these conclusions by analyzing available bank data, demographic information, and aggregate lending data comparisons. Limited-scope review conclusions did not alter the bank’s performance ratings in NH.

Assessment Area	Lending Test	Investment Test	Service Test
Manchester-Nashua, NH MSA	Consistent	Consistent	Consistent
NH Non-MSA	Exceeds	Consistent	Consistent

The following sections indicate data and facts supporting conclusions for each limited-scope assessment area. Comments begin with a summary of bank operations and activities in the applicable area, followed by geographic distribution and borrower profile performance tables by loan type. Refer to the appendix for demographic data and deposit market share information for the limited-scope assessment areas.

Manchester-Nashua, NH MSA

The Manchester-Nashua, NH MSA assessment area comprises all of Hillsborough County. The bank operates 2 of its 65 full-service branches in this area. The following table details home mortgage and small business lending activity for 2020, as well as community development activities specifically in the Manchester-Nashua, NH MSA assessment area during the review period.

Activity	#	\$
Home Mortgage Loans	104	30.2 million
Small Business Loans	186	18.3 million
Community Development Loans	1	150,000
Investments (New)	0	0
Investments (Prior Period)	0	0
Donations	16	91,000
CD Services	1	-
<i>Source Bank Data</i>		

The branch distribution and alternative delivery systems in this assessment area are consistent with the institution overall. The bank operates two branches in this area after adding a Manchester branch in a moderate-income census tract in 2021. Products, services, and business hours are consistent with those in other assessment areas.

NH Non-MSA

The NH Non-MSA assessment area consists of two non-contiguous areas. One area consists of 5 census tracts in NH's northern Coos County (4) and adjacent Essex County, Vermont (1). The other area consists of 29 census tracts in Merrimack County in the south-central portion of NH. The following table details home mortgage and small business lending activity for 2020, as well as community development activities specifically in the NH Non-MSA assessment area during the review period.

Activity	#	\$
Home Mortgage Loans	90	14.4 million
Small Business Loans	188	19.9 million
Community Development Loans	0	0
Investments (New)	0	0
Investments (Prior Period)	0	0
Donations	20	45,000
CD Services	13	-
<i>Source Bank Data</i>		

The branch distribution and alternative delivery systems in this assessment area are consistent with the institution overall. The bank operates three branches in this area after adding a Concord branch in a middle-income census tract in 2021. Products, services, and business hours are consistent with those in other assessment areas.

Geographic Distribution and Borrower Profile

The following tables provide 2020 data on bank geographic distribution and borrower profile performance for both the Manchester-Nashua, NH MSA and the NH Non-MSA assessment areas. The tables are separated by product type.

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography

Assessment Area:	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% 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
Manchester-Nashua, NH	104	30,195	53.6	2.2	3.8	3.1	14.6	20.2	13.5	44.2	32.7	41.0	39.0	43.3	42.4	0.0	0.0	0.0
MSA																		
NH Non-MSA	90	14,426	46.4	0.0	0.0	0.0	11.2	30.0	6.7	40.5	51.1	36.5	48.3	18.9	56.8	0.0	0.0	0.0
Total	194	44,621	100.0	1.6	2.1	2.5	13.7	24.7	12.1	43.2	41.2	40.0	41.4	32.0	45.4	0.0	0.0	0.0

Source: 2015 ACS; 2020 Bank Data, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography

Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate
Manchester-Nashua, NH	186	18,304	49.7	8.0	2.7	7.4	21.0	21.5	19.4	37.6	41.4	38.2	33.1	34.4	34.7	0.4	0.0	0.3
MSA																		
NH Non-MSA	188	19,856	50.3	0.0	0.0	0.0	14.6	33.0	13.3	41.6	53.7	38.7	43.8	13.3	48.0	0.0	0.0	0.0
Total	374	38,160	100.0	5.9	1.3	5.7	19.3	27.3	18.0	38.6	47.6	38.3	35.8	23.8	37.7	0.3	0.0	0.3

Source: 2020 D&B Data; 2020 Bank Data; 2020 CRA Aggregate Data, "-" data not available. Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower

Assessment Area:	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Manchester-Nashua, NH MSA	104	30,195	53.6	25,851	20.3	5.8	6.5	17.8	16.3	20.3	22.1	28.8	25.3	39.8	28.8	32.7	0.0	20.2	15.2
NH Non-MSA	90	14,426	46.4	6,935	17.4	10.0	3.1	14.4	21.1	15.6	22.2	16.7	24.4	46.0	36.7	42.5	0.0	15.6	14.5
Total	194	44,621	100.0	32,786	19.6	7.7	5.8	17.0	18.6	19.3	22.1	23.2	25.1	41.3	32.5	34.8	0.0	18.0	15.0

Source: 2015 ACS; 2020 Bank Data, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues

Assessment Area:	Total Loans to Small Businesses			Businesses with Revenues <= IMM			Businesses with Revenues > IMM			Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Manchester-Nashua, NH MSA	186	18,304	49.7	10,125	87.4	9.1	41.7	4.7	14.0	7.9	76.9	10.5	78.2
NH Non-MSA	188	19,856	50.3	2,976	84.5	12.8	39.6	5.1	9.0	8.6	77.5	0.0	15.0
Total	374	38,160	100.0	13,101	86.6	11.0	41.2	4.8	11.5	8.6	77.5	0.0	15.0

Source: 2020 D&B Data; 2020 Bank Data; 2020 CRA Aggregate Data. Due to rounding, totals may not equal 100.0%

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

Bangor Savings Bank	
Scope of Examination: Full scope reviews were performed on the following assessment areas within the noted rated areas:	
State of ME: Portland-Lewiston-South Portland, ME CSA Assessment Area Bangor, ME MSA Assessment Area ME Non-MSA Assessment Area State of NH: Rockingham County-Strafford County, NH MD Assessment Area	
Time Period Reviewed:	10/29/18 to 09/20/21
Products Reviewed: Home Mortgage Loans: 01/01/18 – 12/31/21 Small Business Loans: 01/01/18 – 12/31/21	

List of Assessment Areas and Type of Evaluation			
Rated Area/ Assessment Area	Type of Evaluation	Branches Visited	Other Information
<u>Maine:</u> Portland-Lewiston-South Portland, ME CSA	Full-scope	None	None
Bangor, ME MSA	Full-scope	None	None
ME Non-MSA	Full-scope	None	None
<u>New Hampshire:</u> Rockingham County- Strafford County, NH MD	Full-scope	None	None
Manchester-Nashua, NH MSA	Limited-scope	None	None
NH Non-MSA	Limited-scope	None	None

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall Rating for Rated Area
State of ME	Outstanding	Outstanding	Low Satisfactory	Outstanding
State of NH	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

State of NH

Manchester-Nashua, NH MSA

The Manchester Nashua MSA consists of the 86 census tracts in Hillsborough County, which comprises the entire Manchester-Nashua, NH MSA. The bank expanded this assessment area since the prior evaluation, at which time it included 35 census tracts in Hillsborough County.

The area's 86 census tracts have the following income designations.

- 8 low-income tract,
- 21 moderate-income tracts,
- 34 middle-income tracts,
- 22 upper-income tracts, and
- 1 census tract with no income designation.

The following table illustrates select demographic characteristics of the Manchester-Nashua, NH MSA.

Demographic Information of the Assessment Area						
Assessment Area: Manchester-Nashua, NH MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	86	9.3	24.4	39.5	25.6	1.2
Population by Geography	403,972	7.6	20.1	40.3	31.9	0.0
Housing Units by Geography	167,207	8.4	22.6	40.7	28.3	0.0
Owner-Occupied Units by Geography	103,496	2.2	14.6	44.2	39.0	0.0
Occupied Rental Units by Geography	51,712	19.6	37.6	32.9	9.9	0.0
Vacant Units by Geography	11,999	14.2	26.6	43.9	15.3	0.0
Businesses by Geography	39,709	8.0	21.0	37.6	33.1	0.4
Farms by Geography	1,077	3.2	11.4	48.9	36.3	0.2
Family Distribution by Income Level	104,048	20.3	17.8	22.1	39.8	0.0
Household Distribution by Income Level	155,208	23.7	16.1	18.5	41.7	0.0
Median Family Income MSA – 31700 Manchester-Nashua, NH MSA		\$85,966	Median Housing Value			\$238,896
			Median Gross Rent			\$1,069
			Families Below Poverty Level			5.8%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

According to FDIC Deposit Market Share Data as of June 30, 2020, 22 financial institutions operate 91 full-service branches within the area, reflecting a fair level of competition. Of these institutions, Bangor Savings Bank ranked 15th with a 0.4 percent deposit market share. According to 2020 HMDA aggregate data, 375 lenders originated or purchased 25,851 home mortgage loans in the Manchester-Nashua, NH MSA, reflecting a competitive market for home mortgage loans. Bangor Savings Bank ranked 51st with a 0.4 percent market share. According to 2020 CRA aggregate data, 133 lenders reported originating 10,162 small business loans in the Manchester-Nashua, NH MSA, reflecting a competitive small business lending market. Bangor Savings Bank ranked 15th with a 1.8 percent market share.

NH Non-MSA

The NH Non-MSA consists of two non-contiguous assessment areas. One area consists of 5 census tracts in NH’s northern Coos County (4) and adjacent Essex County, VT (1). The other area consists of 29 census tracts in Merrimack County in the south-central portion of NH.

The NH Non-MSA contains 34 census tracts with the following income designations.

- 0 low-income tracts,
- 5 moderate-income tracts,
- 16 middle-income tracts, and
- 13 upper-income tracts.

The following table illustrates select demographic characteristics of the NH Non-MSA assessment area.

Demographic Information of the Assessment Area						
Assessment Area: NH Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	34	0.0	14.7	47.1	38.2	0.0
Population by Geography	128,480	0.0	11.1	44.9	44.0	0.0
Housing Units by Geography	59,343	0.0	17.6	44.3	38.1	0.0
Owner-Occupied Units by Geography	35,853	0.0	11.2	40.5	48.3	0.0
Occupied Rental Units by Geography	14,140	0.0	15.5	58.0	26.5	0.0
Vacant Units by Geography	9,350	0.0	45.5	37.8	16.7	0.0
Businesses by Geography	13,838	0.0	14.6	41.6	43.8	0.0
Farms by Geography	529	0.0	12.5	42.9	44.6	0.0
Family Distribution by Income Level	33,292	17.4	14.4	22.2	46.0	0.0
Household Distribution by Income Level	49,993	21.6	15.1	16.7	46.6	0.0
Median Family Income Non-MSAs - NH		\$71,699	Median Housing Value			\$209,138
Median Family Income Non-MSAs - VT		\$64,849	Median Gross Rent			\$929
			Families Below Poverty Level			6.0%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

According to FDIC Deposit Market Share Data as of June 30, 2020, 18 financial institutions operate 62 full-service branches within the area, reflecting a moderate level of competition. Of these institutions, Bangor Savings Bank ranked 9th with a 2.7 percent deposit market share. According to HMDA aggregate data, 240 lenders originated or purchased 6,935 home mortgage loans in the NH Non-MSA assessment area, reflecting a competitive market for home mortgage loans. Bangor Savings Bank ranked 19th with a 1.3 percent market share. According to 2020 CRA aggregate data, 96 lenders reported originating 4,005 small business loans in the NH Non-MSA assessment area, reflecting a moderately competitive small business lending market. Bangor Savings Bank ranked 11th with a 4.7 percent market share.

GLOSSARY

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 metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.