

# **PUBLIC DISCLOSURE**

September 8, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Machias Savings Bank  
Certificate Number: 19531

4 Center Street  
Machias, Maine 04654

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.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	3
DESCRIPTION OF ASSESSMENT AREAS.....	4
SCOPE OF EVALUATION .....	5
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	17
NON-METROPOLITAN AREAS-ME – Full-Scope Review .....	18
BANGOR, ME MSA – Full-Scope Review .....	33
PORTLAND-SOUTH PORTLAND, ME MSA – Full-Scope Review.....	45
APPENDICES .....	59
LARGE BANK PERFORMANCE CRITERIA.....	59
SCOPE OF EVALUATION .....	61
GLOSSARY .....	62

## 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	X
High Satisfactory			
Low Satisfactory			
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 majority of loans within its combined assessment area.
- The geographic distribution of loans reflects excellent penetration throughout the combined assessment area.
- The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and businesses of different sizes.
- The institution uses 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 Outstanding.**

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

**The Service Test is rated Outstanding.**

- Delivery systems are readily accessible to all portions of the institution's combined assessment area.
- 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.
- Services (including where appropriate, business hours) do not vary in a way that inconveniences certain portions of the combined assessment area, particularly low- and moderate-income geographies and/or individuals.
- The institution is a leader in providing community development services.

## DESCRIPTION OF INSTITUTION

### **Background**

Machias Savings Bank (MSB) is a state-chartered stock savings bank headquartered in Machias, Maine (ME). The bank is wholly owned by Machias Bancorp, Inc, a one-bank holding company. The bank received an overall Outstanding rating at its previous FDIC Performance Evaluation on September 20, 2021, using the Federal Financial Institutions Examination Council's (FFIEC) Interagency Large Bank Examination Procedures.

### **Operations**

MSB operates 16 full-service branches in Aroostook, Cumberland, Hancock, Knox, Penobscot, Waldo, and Washington Counties in Maine and Hillsborough County in New Hampshire (NH). Since the previous evaluation, the bank opened one full-service branch in Manchester, NH. The bank also operates at least one Automated Teller Machine (ATM) at each branch and one stand-alone ATM in Maine. The bank did not close any branch offices and was not involved in any merger or acquisition activities since the previous examination.

MSB offers commercial, agricultural, residential and consumer loans, but its primary focus is commercial lending. The bank provides various consumer and commercial deposit services including checking, savings, money market, individual retirement accounts, certificates of deposit, and health savings accounts. Alternative banking services include internet, mobile, and telephone banking.

### **Ability and Capacity**

As of June 30, 2025, the bank had total assets of approximately \$2.6 billion and total deposits of approximately \$2.3 billion. The bank's loans totaled approximately \$2.2 billion, representing 84.9 percent of total assets. Total assets increased approximately 31.7 percent since the prior evaluation. Growth is primarily due to total loan growth, which increased approximately 39.6 percent since the prior evaluation.

Commercial loans, which include nonfarm nonresidential real estate loans and commercial and industrial loans, comprise 49.5 percent of the loan portfolio and was the primary driver of the total loan growth. Residential loans, which include 1-4 family and multifamily properties, comprise 38.1 percent of the loan portfolio. The following table illustrates the bank's loan portfolio distribution.

<b>Loan Portfolio Distribution as of 06/30/2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	144,967	6.5
Secured by Farmland	9,731	0.4
Secured by 1-4 Family Residential Properties	650,249	29.4
Secured by Multifamily (5 or more) Residential Properties	190,602	8.7
Secured by Nonfarm Nonresidential Properties	831,332	37.5
<b>Total Real Estate Loans</b>	<b>1,826,881</b>	<b>82.5</b>
Commercial and Industrial Loans	266,423	12.0
Agricultural Production and Other Loans to Farmers	54,848	2.5
Consumer Loans	6,284	0.3
Obligations of State and Political Subdivisions in the U.S.	55,201	2.5
Other Loans	865	<0.1
Lease Financing Receivables (net of unearned income)	5,142	0.2
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>2,215,644</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial or legal impediments that would limit the bank's ability to help meet the credit or community development needs of the assessment area.

## DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. MSB designated four assessment areas, consisting of 182 census tracts in portions of ME and NH.<sup>1</sup> The combined assessment area includes the following Metropolitan Statistical Areas (MSAs) and Nonmetropolitan-MSAs (Non-MSAs).

- Non-MSA, ME (includes Hancock, Knox, Waldo, and Washington Counties and portions of Aroostook County)
- Bangor, ME MSA (includes Penobscot County)
- Portland-South Portland, ME MSA (includes portions of Cumberland County)
- Manchester-Nashua, NH MSA (includes portions of Hillsborough County)

MSB changed its assessment area delineations since the prior evaluation. The bank added the Manchester-Nashua, NH MSA assessment area, which consists of 37 census tracts within Hillsborough County, NH, when it established the branch in Manchester, NH, in June 2025.

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<sup>1</sup> Collectively, the bank's four assessment areas are referred to as the combined assessment area.

## SCOPE OF EVALUATION

### General Information

The evaluation covers the period from the prior evaluation dated September 20, 2021, to the current evaluation dated September 8, 2025. Examiners used the Interagency Large Bank Examination Procedures to evaluate MSB's performance. These procedures include the Lending Test, Investment Test, and Service Test (see Appendices for a complete description).

Examiners conducted full-scope reviews of the Non-MSA, ME, Bangor, ME MSA, and the Portland-South Portland, ME MSA assessment areas. Although the Manchester-Nashua, NH MSA assessment area creates a new rated area, examiners did not evaluate this assessment area due to the recent entry into this market and the limited activity that occurred in the assessment area during the evaluation period. However, examiners reviewed community development activities in the Manchester-Nashua, NH MSA that occurred during the evaluation period and included them in the tables and totals for the overall section, as applicable.

Based on the percentage of loans, deposits, and branches in each assessment area, examiners placed the greatest weight on the Non-MSA, ME assessment area, followed by the Bangor, ME MSA, and then the Portland-South Portland, ME MSA when determining the overall rating. The following table illustrates the distribution of loans (home mortgage, small business, and small farm), deposits, and branches across each assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Non-MSA, ME	399,317	70.2	1,053,913	52.5	11	68.8
Bangor, ME MSA	139,307	24.5	453,665	22.6	3	18.8
Portland-South Portland, ME MSA	30,272	5.3	499,845	24.9	1	6.2
Manchester-Nashua, NH MSA	0	0.0	N/A*	0.0	1	6.2
<b>Total</b>	<b>568,896</b>	<b>100.0</b>	<b>2,007,423</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>
Source: Bank Data; FDIC Summary of Deposits (06/30/2025)						
*Do not have full year of data.						

### Activities Reviewed

Examiners determined that the bank's major product lines are small business, home mortgage, and small farm loans. This conclusion considered the bank's business strategy and the number and dollar volume of originations during the evaluation period.

Examiners analyzed all home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) loan application registers (LARs) for 2022, 2023, and 2024 to evaluate the bank's performance. The bank reported 876 loans totaling approximately \$196.0 million in 2022, 718 loans totaling approximately \$154.2 million in 2023, and 564 loans totaling approximately \$177.8 million in 2024. Examiners compared the bank's 2022, 2023, and 2024 home mortgage performance to

aggregate data and 2020 U.S. Census demographic data under the Geographic Distribution and Borrower Profile criteria.

Examiners analyzed all small business loans reported on the bank's CRA loan registers for 2022, 2023, and 2024. The bank reported 761 loans totaling approximately \$85.6 million in 2022, 701 loans totaling approximately \$72.0 million in 2023, and 659 loans totaling approximately \$78.4 million in 2024. Examiners compared the bank's 2022 and 2023 small business performance to aggregate under Geographic Distribution and Borrower Profile. Aggregate data was not yet available for 2024. Examiners also compared 2022, 2023, and 2024 small business performance to D&B business demographics under the same criteria.

Examiners analyzed small farm loans reported on the bank's CRA loan register for 2022, 2023, and 2024. The bank reported 247 loans totaling approximately \$16.0 million in 2022, 192 loans totaling approximately \$12.2 million in 2023, and 163 loans totaling approximately \$10.8 million in 2024. Examiners compared the bank's 2022 and 2023 small farm performance to aggregate under Geographic Distribution and Borrower Profile. Aggregate data was not yet available for 2024. Examiners also compared 2022, 2023, and 2024 small farm performance to D&B farm demographics under the same criteria.

Although the Assessment Area Concentration performance table includes lending activity for all three years, Geographic Distribution and Borrower Profile tables only present 2023 and 2024 lending, as these years represent bank performance under these criteria for the full evaluation period.

Examiners reviewed both the number and dollar volume of home mortgage, small business, and small farm loans. The analysis weighed the number of originations more heavily than the dollar volume, as the number of loans is a better indicator the number of individuals and businesses served. As the bank originated a similar volume of home mortgage and small business loans during the evaluation period, examiners gave equal weight to both when arriving at overall conclusions and ratings. Small farm loans received the least weight.

Furthermore, because there is little to no demand for small farm loans in the Bangor, ME MSA and the Portland-South Portland, ME MSA assessment areas, small farm lending performance in those areas provided no material support for conclusions or ratings and is not presented in those sections. Of the 591 small farm loans originated within the bank's assessment areas during the evaluation period, 585 were in the Non-MSA assessment area, 5 were in the Bangor, ME MSA assessment area, and one was in the Portland-South Portland, ME MSA assessment area. Examiners based overall conclusions for small farm lending on the bank's performance in the Non-MSA area.

Examiners also reviewed retail products and services that benefit low- and moderate-income individuals, small businesses, or small farms, 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, qualified investments, and community development services, as well as innovative and/or flexible lending practices since the prior CRA evaluation dated September 20, 2021, through September 8, 2025. This evaluation presents performance and conclusion under the innovative and flexible lending practices criterion at the combined assessment area level as MSB offers all such programs across each of the three assessment areas evaluated herein.

Examiners obtained demographic and economic information referenced in this evaluation from the 2015 ACS, the 2020 U.S. Census data, D&B, Moody's Analytics, and the U.S. Bureau of Labor Statistics (BLS). Financial data is based on the June 30, 2025, Report of Condition and Income.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

MSB's overall Lending Test performance is rated Outstanding. Lending performance in Non-MSA, ME and Bangor, ME MSA assessment areas was consistent with the bank's overall performance. Performance in the Portland-South Portland, ME MSA was inconsistent with the overall performance. The bank's performance in the Non-MSA, ME assessment area contributed the most weight to conclusions under each performance criterion of the Lending Test. The following sections discuss the bank's overall performance in the combined assessment area. Separate presentations for the individual assessment areas are included in later sections.

#### **Lending Activity**

Lending levels reflect excellent responsiveness to assessment area credit needs. In 2022, 2023, and 2024, MSB originated or purchased 2,158 home mortgage loans totaling approximately \$528.0 million, 2,121 small business loans, totaling approximately \$235.9 million, and 602 small farm loans totaling approximately \$39.1 million. Of this total, 1,867 loans home mortgage loans totaling approximately \$353.9 million, 1,844 small business loans totaling approximately \$177.1 million, and 591 small farm loans totaling \$37.9 million were inside the combined assessment area.

For the combined assessment area, MSB was among the top 1.0 percent of all home mortgage lenders, ranking 2<sup>nd</sup> and 3<sup>rd</sup> in 2023 and 2024, respectively. In addition, MSB was the 2<sup>nd</sup> ranked state-chartered community bank in both years, outperformed by Bangor Savings Bank, a much larger state-chartered community bank. For small business lending, MSB was among the top 10.0 percent of all small business lenders, in 2022 and 2023, and was the top-ranked and second-ranked state-chartered community bank in 2022 and 2023, respectively. Finally, for small farm lending MSB was the top-ranked lender in 2022 and 2023.

#### **Assessment Area Concentration**

MSB made a majority of its loans inside the combined assessment area. While the bank made a substantial majority of its loans by number inside the combined assessment area, the dollar volume

of loans inside the combined assessment area reflected a majority. This performance was affected by a small number of large dollar home mortgage loans outside the assessment area, particularly in 2024. The following table illustrates the bank's home mortgage, small business, and small farm lending activity inside and outside the combined assessment area by product type.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$ (000s)	%	\$ (000s)	%	
Home Mortgage										
2022	753	86.0	123	14.0	876	140,893	71.9	55,075	28.1	195,968
2023	627	87.3	91	12.7	718	109,391	70.9	44,843	29.1	154,234
2024	487	86.3	77	13.7	564	103,607	58.3	74,191	41.7	177,798
Subtotal	1,867	86.5	291	13.5	2,158	353,891	67.0	174,109	33.0	528,000
Small Business										
2022	657	86.3	104	13.7	761	65,061	76.0	20,521	24.0	85,582
2023	610	87.0	91	13.0	701	54,608	75.9	17,344	24.1	71,952
2024	577	87.6	82	12.4	659	57,458	73.3	20,899	26.7	78,357
Subtotal	1,844	86.9	277	13.1	2,121	177,127	75.1	58,764	24.9	235,891
Small Farm										
2022	244	98.8	3	1.2	247	15,657	97.6	378	2.4	16,035
2023	188	97.9	4	2.1	192	11,801	96.5	432	3.5	12,233
2024	159	97.5	4	2.5	163	10,420	96.4	388	3.6	10,808
Subtotal	591	98.2	11	1.8	602	37,878	96.9	1,198	3.1	39,076
Total	4,302	88.1	579	11.9	4,881	568,896	70.8	234,071	29.2	802,967
Source: Bank Data, as reported Due to rounding, totals may not equal 100.0%.										

## **Geographic Distribution**

The geographic distribution of loans reflects excellent penetration of home mortgage, small business, and small farm loans throughout the combined assessment area. The bank's consistent performance in the Non-MSA, ME and Bangor, ME MSA assessment area supports this conclusion. The bank's performance in the Portland-South Portland, ME MSA assessment area was inconsistent. The individual assessment area sections include detailed analysis and comparisons to aggregate and demographic data.

## **Borrower Profile**

The distribution of borrowers reflects excellent penetration among retail customers of different income levels and business customers and farms of different size, throughout the combined assessment area. The bank's consistent performance in the Non-MSA, ME assessment area supports this conclusion. The bank's performance in the Bangor, ME, MSA and Portland-South Portland, ME MSA assessment area were inconsistent. The individual assessment area sections include detailed analysis and comparisons to aggregate and demographic data.

## **Innovative or Flexible Lending Practices**

MSB uses innovative and/or flexible lending practices in order to serve assessment area credit needs. During the evaluation period, the bank originated 755 innovative and/or flexible loans totaling approximately \$160.8 million that supported low- and moderate-income individuals and small businesses and farms. Of these innovative and/or flexible loans, the bank made approximately \$111.4 million through residential and \$49.4 million through small business and farm programs. Although this level of activity is a decrease from the prior evaluation, when the bank originated 3,747 innovative and/or flexible loans totaling \$267.7 million, 3,670 loans totaling \$245.0 million were SBA PPP loans. The bank's performance is comparable to similarly situated institutions. The bank offers each of its innovative and/or flexible lending programs throughout the combined assessment area.

### **Residential Lending Programs**

- ***Fannie Mae HomeReady Program*** – The HomeReady program features low down payments and a \$2,500 credit toward closing costs to first time homebuyers. This program is restricted to borrowers with incomes of 50 percent or less of area median income. During the evaluation period, the bank originated 393 loans totaling approximately \$83.3 million.
- ***Maine State Housing Authority (MSHA)*** – MSHA is an independent agency that provides affordable housing opportunities to low- and moderate-income families throughout the state. During the evaluation period, the bank originated 35 loans totaling approximately \$4.2 million.
- ***USDA Rural Development Direct Home Loan Program*** – The Direct Home 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. During the evaluation period, the bank originated 162 loans totaling approximately \$23.9 million.

### **Small Business and Small Farm Programs**

- ***Small Business Administration (SBA) Guaranty Program*** – MSB participates in both 504 and 7(A) loan programs as a Preferred Lender/SBA Express Lender/Patriot Lender (PLP/E/PX Lender). The 7(a) program is designed for start-up and existing small businesses, with financing guaranteed for a variety of general business purposes. The 504 program provides financing to acquire fixed assets for expansion or modernization. During the evaluation period, the bank originated 39 SBA loans totaling \$17.3 million.
- ***Finance Authority of Maine (FAME)*** – FAME is Maine's business finance agency responsible for supporting business start-up, expansion, and growth through various loan programs. MSB offers FAME's guaranteed loans to business customers. During the evaluation period, the bank originated 126 small business loans totaling \$32.1 million that included FAME guarantees.

### Other

- ***MSHA's Affordable Housing Program (AHP)*** – Through MSHA's AHP, the bank supports loans that provide affordable housing. The loans are paid with low-income housing tax credits, MSHA grants, and direct subsidies from AHP. The bank currently supports 76 affordable housing units in the assessment area through this program.
- ***Flexibility of Loan Terms*** – Businesses in MSB's combined assessment area, including those relating to fishing, farming, forestry, and tourism experience extreme fluctuations in their income stream throughout the year. MSB provides flexibility in loan payment terms (annual, seasonal, or skip payment structured loans) to match repayment with individual cash flow cycles of each business. During the evaluation period, the bank provided these flexible loan terms to 490 businesses, which has been especially impactful for the area's small businesses.

### **Community Development Loans**

The bank is a leader in making community development loans throughout its combined assessment area. Consistent performance in the Non-MSA, ME and Bangor, ME MSA assessment areas supports this conclusion. The bank's performance in the Portland-South Portland, ME MSA assessment area was inconsistent.

During the evaluation period, the bank originated 110 community development loans totaling approximately \$139.8 million. This level of activity is an increase in dollar volume since the prior evaluation when MSB originated 149 loans totaling approximately \$127.2 million. Current activity level represents 5.7 percent of average total assets and 7.2 percent of average total loans. The bank's performance exceeds similarly situated institutions, both in terms of percentage of average asset and average total loan ratios. The bank's 110 community development loans include three loans totaling approximately \$2.8 million outside the bank's assessment area, benefitting the broader statewide area.

A majority of the bank's community development loans supported revitalizing and stabilizing communities in underserved geographies and services to low- or moderate-income individuals, reflecting the bank's excellent responsiveness to the primary community development needs of its combined assessment area. The following tables illustrate the community development loans by year, purpose, and 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)
Non-MSA, ME	4	1,885	7	7,240	3	3,192	74	91,856	88	104,173
Bangor, ME MSA	2	2,249	2	224	0	0	7	8,012	11	10,485
Portland-South Portland, ME MSA	0	0	2	4,393	4	12,285	2	5,757	8	22,435
Statewide Activities	3	2,754	0	0	0	0	0	0	3	2,754
<b>Total</b>	<b>9</b>	<b>6,888</b>	<b>11</b>	<b>11,857</b>	<b>7</b>	<b>15,477</b>	<b>83</b>	<b>105,625</b>	<b>110</b>	<b>139,847</b>
Source: Bank Data										

Community Development Lending Assessment Area: Combined										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	0	0	2	4,400	4	12,285	5	8,685	11	25,370
2022	1	1,499	1	230	1	300	21	22,789	24	24,818
2023	4	1,764	2	5,900	1	1,392	21	30,873	28	39,929
2024	3	2,917	6	1,327	1	1,500	20	18,943	30	24,687
2025 YTD	1	708	0	0	0	0	16	24,335	17	25,043
<b>Total</b>	<b>9</b>	<b>6,888</b>	<b>11</b>	<b>11,857</b>	<b>7</b>	<b>15,477</b>	<b>83</b>	<b>105,625</b>	<b>110</b>	<b>139,847</b>
Source: Bank Data										

The following summarizes the community development loans that benefitted a broader statewide area.

- In 2023, the bank originated a \$326,250 loan to finance the rehabilitation of an 8-unit affordable housing rental property in Lewiston, ME. The units are rented through local housing authority referrals, well below the fair market rent. This loan helped create affordable housing in the broader statewide area.
- In 2023, the bank originated a \$500,000 loan to finance the purchase of an 8-unit residential property. Three of the units are subsidized through the local housing authority as affordable housing. The bank received pro-rata credit of \$187,500. This loan helped create affordable housing in the broader statewide area.
- In 2024, the bank originated a \$2.2 million loan to finance the purchase of 79-unit mobile home park located in a moderate-income census tract. This loan helps create affordable housing in the broader statewide area.

## INVESTMENT TEST

MSB's overall Investment Test performance is rated Outstanding. The bank's performance in the Non-MSA assessment area was consistent with the bank's overall performance and contributed the most weight to the overall rating. Performance in the Bangor, ME MSA and the Portland-South Portland, ME MSA assessment areas were inconsistent with the overall rating. The following sections discuss the bank's overall performance in the combined assessment area. Separate presentations for the individual assessment areas are included in later sections.

### **Investment and Grant Activity**

MSB has an excellent level of qualified community development investments and donations, particularly those that are not routinely provided by private investors, often in a leadership position. The bank made 583 qualified investments totaling approximately \$14.6 million. This total includes 18 qualified equity investments of approximately \$12.9 million and 565 donations totaling approximately \$1.8 million. The bank's investments increased significantly by number from the prior evaluation period, during which time the bank made 384 qualified investments totaling approximately \$13.3 million. In total, the bank's investments represent 0.6 percent of average total assets and 4.9 percent of average total securities. The bank's performance exceeds one similarly situated institution and is comparable to another in terms of percent of average asset and average total securities ratios.

Of the 583 qualified investments and donations, 84 totaling approximately \$12.2 million benefitted a broader statewide or regional area that includes the combined assessment area. The following tables illustrate the community development loans by year, purpose, and assessment area.

<b>Qualified Investments by Assessment Area</b>										
<b>Assessment Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Non-MSA, ME	11	883	282	483	37	249	5	31	<b>335</b>	<b>1,646</b>
Bangor, ME MSA	6	12	59	278	11	106	0	0	<b>76</b>	<b>396</b>
Portland-South Portland, ME MSA	5	67	69	243	14	45	0	0	<b>88</b>	<b>355</b>
Statewide Activities	15	9,256	55	166	11	1,587	0	0	<b>81</b>	<b>11,009</b>
Regional Activities	0	0	0	0	3	1,227	0	0	<b>3</b>	<b>1,227</b>
<b>Total</b>	<b>37</b>	<b>10,218</b>	<b>465</b>	<b>1,170</b>	<b>76</b>	<b>3,214</b>	<b>5</b>	<b>31</b>	<b>583</b>	<b>14,633</b>
<i>Source: Bank Data</i>										

Qualified Investments Assessment Area: Combined										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	6	1,771	0	0	4	1,477	0	0	10	3,248
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	1	5,500	0	0	1	250	0	0	2	5,750
2023	1	500	0	0	0	0	0	0	1	500
2024	2	750	0	0	1	1,037	0	0	3	1,787
2025 YTD	2	1,589	0	0	0	0	0	0	2	1,589
<b>Subtotal</b>	<b>12</b>	<b>10,110</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>2,764</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>12,874</b>
Qualified Grants & Donations	25	108	465	1,170	70	450	5	31	565	1,759
<b>Total</b>	<b>37</b>	<b>10,218</b>	<b>465</b>	<b>1,170</b>	<b>76</b>	<b>3,214</b>	<b>5</b>	<b>31</b>	<b>583</b>	<b>14,633</b>
<i>Source: Bank Data</i>										

The following are examples of the qualified investments and donations that benefitted the broader statewide or regional area.

#### Equity Investments

- ***Evernorth – Housing New England Fund III*** – In 2022, the bank invested \$5.5 million in Evernorth Housing New England Fund III for \$5.5 million. Evernorth develops and invests in affordable housing for low- and moderate-income people in ME, NH, and VT. Evernorth has raised and deployed over \$1.6 billion in equity capital for affordable housing and built more than 17,000 affordable homes and apartments for low- and moderate -income people in ME, NH, and VT.
- ***Dirigo Angel Fund II, LLC (DAF)*** – In 2022, the bank invested \$500,000 in this venture fund that provides non-traditional financing for small and start-up businesses that supports job creation and retention for low- and moderate -income individuals. This investment benefits a broader statewide area that includes the bank’s assessment area.

#### Donations

- ***Jobs for Maine Graduates (JMG)*** – JMG is an educational non-profit organization that provides a range of support to students from middle school throughout high school and onto post-secondary education and career pathways. Programs focus on academic knowledge, critical thinking, financial literacy, career development skills, leadership, and teamwork. The majority who benefit from these programs are low- and moderate-income students. The bank made multiple donations to this organization during the evaluation period.
- ***FocusMaine*** – FocusMaine offers programs to entrepreneurs in the food and life science economies to help grow their businesses in Maine. In addition, FocusMaine offers

workforce development programs and internships, that provide skill development and experience to students and young adults looking for jobs in these sectors. FocusMaine has helped create more than 1,448 jobs. This donation supports economic development through the creation of jobs for low- and moderate-income individuals throughout Maine. The bank made multiple donations to this organization during the evaluation period.

### **Responsiveness to Credit and Community Development Needs**

MSB exhibits excellent responsiveness to credit and community development needs through investment activity. MSB invested substantially in affordable housing and economic development throughout ME and its assessment areas. The bank also donated to community service organizations and provided additional donations to revitalize and stabilize low- and moderate-income neighborhoods and underserved geographies. Examiners determined these areas to be significant credit and community development needs throughout the bank's assessment areas.

### **Community Development Initiatives**

The bank uses innovative and/or complex investments to support community development initiatives. The bank is active in generating affordable housing in the combined assessment area and often relies on Low-Income Housing Tax Credits (LIHTCs) to accomplish this mission. LIHTCs are complex and require extensive coordination between the involved parties to bring the low-income housing project to completion. Further demonstrating innovation, the bank created the Workforce Development Grant in 2024 to help stimulate economic development in response to community development needs. The grant was created to support non-profit organizations that have workforce development programs. The bank makes three awards each year (\$25,000, \$15,000, and \$10,000).

## **SERVICE TEST**

MSB's overall Service Test is rated Outstanding. The bank's performance in the Non-MSA assessment area was consistent with the bank's overall performance and contributed the most weight to the overall rating. Performance in the Bangor, ME MSA and the Portland-South Portland, ME MSA assessment areas was inconsistent with the overall rating. The following sections discuss the bank's overall performance in the combined assessment area. Separate presentations for the individual assessment areas are included in later sections.

### **Accessibility of Delivery Systems**

MSB's delivery systems are readily accessible to all portions of the bank's combined assessment area. MSB operates 16 full-service branches and 17 ATMs, which include one stand-alone ATM in ME. The accessibility of delivery systems in the Non-MSA, ME and Bangor, ME MSA assessment areas, as well as the alternative delivery systems that supplement the bank's branches, primarily support this conclusion. The following table illustrates the branch and ATM distribution by tract income level.



Branch and ATM Distribution by Geography Income Level Assessment Area: Combined								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	6	3.3	17,673	2.8	0	0.0	0	0.0
Moderate	44	24.2	141,363	22.7	4	25.0	4	23.5
Middle	99	54.4	341,732	54.8	10	62.5	11	64.7
Upper	29	15.9	123,141	19.7	2	12.5	2	11.8
NA	4	2.2	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>182</b>	<b>100.0</b>	<b>623,909</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>
<i>Source: 2020 Census Data; Bank Data</i>								

MSB's distribution of branches and ATMs in moderate-income census tracts exceeds the demographic comparators. Although MSB does not operate any branches within the low-income census tracts (all located in NH), the Manchester, NH branch is located in close proximity (0.3 to 3.0 miles) to the all of the low-income census tracts in the area, making it accessible to low- and moderate-income individuals and small businesses in those geographies. In addition, MSB has seven branches that are located in rural underserved middle-income geographies.

In addition to its branches and ATMs, MSB offers various alternative delivery systems that expand access to retail banking services for all individuals, including low- and moderate-income individuals and families and those living in the rural underserved middle-income geographies. For example, online and mobile banking platforms connect consumers and businesses to their accounts 24 hours a day to perform various transactions. The bank's online functions include money transfers, bill pay, and online account opening. Personal and business banking customers can also contact the bank's Customer Service Center by telephone, email, or secure messaging through online or mobile banking.

### **Changes in Branch Locations**

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected accessibility, particularly in low- and moderate -income geographies and/or to low- and moderate -income individuals. During the evaluation period, the bank opened one new branch in Manchester, NH (June 2025). MSB did not close any branches during the evaluation period.

### **Reasonableness of Business Hours and Services**

The bank's business hours and services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate- geographies and/or individuals. MSB offers the same products and services at all branches and business hours are generally consistent among branches, varying only slightly by branch location. The individual assessment areas include additional information.

## **Community Development Services**

The bank is a leader in providing community development services. Specifically, the bank provided 6,379 hours of community development services to organizations serving low- and moderate-income individuals, families, and geographies. The bank's community development services increased significantly from the prior evaluation period when the bank provided 4,019 hours. Furthermore, the bank's performance exceeded all similarly situated institutions. The following tables illustrate the bank's community development service hours by year, purpose, and assessment area.

<b>Community Development Services by Assessment Area</b>					
<b>Rated Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Non-MSA, ME	97	3,691	591	330	<b>4,709</b>
Bangor, ME MSA	173	520	134	0	<b>827</b>
Portland-South Portland, ME MSA	0	187	3	0	<b>190</b>
Statewide Activities	42	475	136	0	<b>653</b>
<b>Total</b>	<b>312</b>	<b>4,873</b>	<b>864</b>	<b>330</b>	<b>6,379</b>
<i>Source: Bank Data</i>					

<b>Community Development Services Assessment Area: Combined</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2021 (Partial)	0	387	125	37	<b>549</b>
2022	56	824	273	86	<b>1,239</b>
2023	94	1,393	254	120	<b>1,861</b>
2024	76	1,213	130	42	<b>1,461</b>
YTD 2025	86	1,056	82	45	<b>1,269</b>
<b>Total</b>	<b>312</b>	<b>4,873</b>	<b>864</b>	<b>330</b>	<b>6,379</b>
<i>Source: Bank Data</i>					

The following are examples of the service activities that benefitted the broader statewide area that included the bank's assessment area.

- ***Genesis Community Loan Fund (GCLF)*** – GCLF is a CDFI that provides technical assistance and lending to promote community development projects. The organization's services primarily benefit low- and moderate-income people and geographies, as well as small businesses. A Senior Vice President is a member of the Loan Committee.
- ***Maine Jump\$tart Coalition for Personal Financial Literacy*** – Maine Jump\$tart Coalition is a non-profit organization that supports financial literacy education throughout Maine. Its

main focus is financial literacy for pre-K to college age students. Maine Jump\$tart Coalition also supports Maine educators with financial literacy training and curriculum resources. A Senior Vice President is a Board member.

#### Educational Services and Seminars

- ***Financial Literacy*** – Teach a Child to Save (TCTS) is geared toward grades K-8 and is a free national program sponsored by the American Bankers Association. Throughout the evaluation period, the bank provided these lessons in schools across the combined assessment area, impacting over 2,500 children each year. The majority of the lessons were provided to schools where the majority of students are eligible for free or reduced cost lunch.

#### Other

- ***Small Business Resource Center*** – MSB developed a comprehensive digital business resource center to support micro and small businesses across the combined assessment area. The digital hub is designed to guide business owners through every stage of their business journey. Resources provided include but are not limited to a business planner tool to help build a full business plan; marketing planner tool that builds a tailored marketing plan; calculators to estimate initial startup costs and plan budgets; and articles and guides covering topics such as cyber security, cash flow forecasting, raising capital, and funding options.

### **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.

## **NON-METROPOLITAN AREAS-ME – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN NON-MSA, ME**

MSB operates 11 or 68.8 percent of its 16 branches in the Non-MSA, ME assessment area. The Non-MSA, ME assessment area represents 39.6 percent of the total number of census tracts in the bank’s combined assessment area, 70.2 percent of the bank’s loans, and 52.5 percent of the bank’s deposits.

#### **Economic and Demographic Data**

The Non-MSA, ME assessment area includes the entirety of Hancock, Knox, Waldo, and Washington Counties, and the eastern portion of Aroostook County. The assessment area has not changed since the prior evaluation. According to 2020 U.S. Census Data, the Non-MSA, ME assessment area reflects the following income designations:

- 0 low-income census tracts,
- 10 moderate-income tracts,
- 50 middle-income tracts,
- 9 upper-income tracts, and
- 3 census tracts with no income designation.

The 10 moderate-income census tracts are located in Aroostook (7), Washington (2), and Waldo Counties. The assessment area includes 32 underserved middle-income tracts in Aroostook (12), Knox (9), and Washington (11) Counties. FEMA issued seven Designated Major Declarations impacting the Non-MSA, ME assessment area during the evaluation period. These declarations related to severe storms and flooding in 2022, 2023, and 2024, and one severe winter storm in 2024. Examiners consider bank activities related to disaster recovery that revitalize or stabilize a designated disaster area for 36 months following the designated date.

Furthermore, there are eight Opportunity Zones located in Aroostook County (3), Hancock County, Waldo County, and Washington County (3). The Opportunity Zone Program provides incentives for investing in certain census tracts to encourage growth in low- and moderate-income areas. The following table illustrates select demographic characteristics of the Non-MSA assessment area based on the 2020 U.S. Census data.

Demographic Information Assessment Area: Non-MSA, ME						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	72	0.0	13.9	69.4	12.5	4.2
Population by Geography	219,027	0.0	11.9	74.1	14.0	0.0
Housing Units by Geography	142,762	0.0	13.5	70.5	16.0	0.0
Owner-Occupied Units by Geography	74,038	0.0	12.0	74.2	13.8	0.0
Occupied Rental Units by Geography	22,048	0.0	13.0	73.0	14.0	0.0
Vacant Units by Geography	46,676	0.0	16.0	63.5	20.5	0.0
Businesses by Geography	20,754	0.0	10.3	68.8	20.9	0.0
Farms by Geography	1,003	0.0	18.8	70.3	10.9	0.0
Family Distribution by Income Level	59,735	19.2	18.7	21.9	40.3	0.0
Household Distribution by Income Level	96,086	24.3	15.3	18.2	42.3	0.0
Maine Non-MSA Median Family Income		\$66,193	Median Housing Value			\$ 177,910
			Median Gross Rent			\$731
			Families Below Poverty Level			8.2%
Source: 2020 Census and 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Housing costs are relatively inexpensive in the Non-MSA, ME assessment areas demonstrated by the median housing value of \$177,910, which is less than the ME average of \$390,200 and the national average of \$419,300. As shown in the previous table, owner-occupancy rates in the moderate-income census tracts are low, limiting the bank's home mortgage lending opportunities in those tracts.

Examiners used the 2023 and 2024 FFIEC-updated median family income level to analyze home mortgage loans under the Borrower Profile criterion. The following table presents low-, moderate-, middle-, and upper-income categories.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥ 120%</b>
<b>Non-Metro Median Family Income For MAINE</b>				
2023 (\$80,600)	<\$40,300	\$40,300 To <\$64,480	\$64,480 to <\$96,720	≥\$98,880
2024 (\$82,400)	< \$41,200	\$41,200 to < \$65,920	\$65,920 to < \$98,880	≥= \$98,880
<i>Source: FFIEC</i>				

The analysis of small business loans under Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR). According to 2024 D&B data, 20,754 non-farm businesses and 1,003 farms operate in the Non-MSA, ME assessment area.

GARs for non-farm businesses are as follows:

- 86.0 percent have \$1.0 million or less,
- 3.4 percent have more than \$1.0 million, and
- 10.6 percent have unknown revenues.

GARs for farm businesses are as follows:

- 96.1 percent have \$1.0 million or less,
- 3.3 percent have more than \$1.0 million, and
- 0.6 percent have unknown revenues.

Non-classifiable establishments represent the largest portion of business (14.7 percent); followed by other services (except Public Administration) (9.7 percent); retail trade (8.8 percent); construction (8.1 percent); and professional, scientific, and technical services (7.1 percent). In addition, 70.7 percent of businesses have four or fewer employees, and 90.0 percent operate from a single location.

The U.S. Bureau of Labor Statistics reports that unemployment rates in the assessment area generally decreased during the evaluation period with an increase in 2024, as shown in the following table. These trends are similar to statewide and national trends in unemployment following the COVID-19 pandemic.

<b>Unemployment Rates</b>				
<b>Assessment Area: Non-MSA, ME</b>				
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Aroostook County	5.0	4.0	3.6	4.2
Hancock County	5.1	3.4	3.0	4.2
Knox County	4.5	2.9	2.6	4.0
Waldo County	4.8	3.1	2.8	3.7
Washington County	6.6	4.1	3.8	4.4
State of Maine	4.6	3.0	2.9	3.4
National Average	5.3	3.7	3.6	4.1
<i>Source: Bureau of Labor Statistics</i>				

## **Competition**

The Non-MSA, ME assessment area is a competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2025, 12 financial institutions operated 98 branches in the assessment area. Of these, MSB ranked 3<sup>rd</sup> with 15.9 percent market share. The Camden National Bank and Bar Harbor Bank & Trust were the top two institutions and collectively held 42.6 percent of the market share.

The bank faces a high level of competition for home mortgage loans from national banks, non-depository mortgage lenders, and other state-chartered community banks. In 2023, 226 lenders reported 4,527 residential mortgages in the assessment area. MSB was the top ranked institution with 10.9 percent market share. In 2024, 240 lenders reported 4,963 residential mortgages in the assessment area. MSB ranked 4<sup>th</sup> with 7.7 percent market share and was the 2<sup>nd</sup> ranked state-chartered community bank. The top three institutions, Bangor Savings Bank, The Camden National Bank, and First National Bank, collectively held 26.4 percent market share.

There is also a high level of competition for small business loans. In 2022, 73 institutions reported 6,445 small business loans within the Non-MSA, ME assessment area. MSB ranked 6<sup>th</sup> with a 6.8 percent market share. In 2023, 71 lenders originated 5,903 small business loans in the assessment area. MSB ranked 4<sup>th</sup> with 7.3 percent market share. MSB was the top-ranked state-chartered community bank in both years. The top three institutions, American Express N.A., JPMorgan Chase Bank N.A., and US Bank, N.A. collectively held 34.3 percent of the market share.

The bank faces a moderate level of competition for small farm loans. In 2023, 20 lenders originated 642 small farm loans in the assessment area. MSB was the top-ranked institution with 29.3 percent market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows available credit and community development opportunities.

Examiners referenced a recent contact with a representative of a community service organization serving Aroostook County. The contact indicated that high poverty rates and limited government resources result in increased need for services, and inflation over recent years has been especially difficult on low- and moderate-income families. The contact indicated that the most significant needs include affordable housing, food security, heating assistance, accessible healthcare, and childcare. The contact also noted that Maine has the oldest population in the nation, and many community residents need eldercare services including transportation to appointments. Finally, the contact noted the need for flexible credit products for the many small businesses in the area, financial literacy programs, and financial counseling.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contact and bank management, as well as economic and demographic data, examiners determined that flexible financing options for affordable housing and small businesses represent the primary credit needs in the area. In addition, essential services for low- and moderate-income individuals is the primary community development need. The high percentage of low- and moderate-income families in the assessment area (37.9 percent), including those families living below poverty (8.2 percent), supports this conclusion.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA, ME**

### **LENDING TEST**

MSB demonstrates excellent performance under the Lending Test in the Non-MSA, ME assessment area. The bank's excellent performance across all Lending Test criteria support this conclusion. The following sections detail the bank's performance under each criterion.

#### **Lending Activity**

Lending levels reflect excellent responsiveness to assessment area credit needs. During the evaluation period, the bank originated or purchased 1,473 home mortgage loans totaling \$255.9 million, 1,269 small business loans totaling \$105.9 million, and 585 small farm loans totaling \$37.4 million within the Non-MSA, ME assessment area.

The competition section includes details regarding the bank's market share data for home mortgage, small business, and small farm lending. MSB was the top-ranked home mortgage lender in the Non-MSA, ME in 2023 and the 2<sup>nd</sup> ranked state-chartered community bank in 2024. MSB ranked in the top ten percent of small business lenders throughout the evaluation period. Furthermore, the bank was the top ranked small farm lender throughout the evaluation period.

#### **Geographic Distribution**

The geographic distribution of loans reflects excellent penetration throughout the Non-MSA ME assessment area. The bank's excellent penetration in home mortgage and small business lending primarily support this conclusion.

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

The geographic distribution of home loans reflects excellent penetration throughout the assessment area. MSB's performance in moderate-income census tracts significantly exceeded aggregate and demographics in 2023 and 2024.



<b>Geographic Distribution of Home Mortgage Loans</b> <b>Assessment Area: Non-MSA, ME</b>						
<b>Tract Income Level</b>	<b>% of Owner Occupied Housing Units</b>	<b>HMDA Aggregate % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
Moderate						
2023	12.0	10.1	74	15.0	7,751	10.2
2024	12.0	9.6	59	15.4	7,902	9.5
Middle						
2023	74.2	73.1	370	75.2	59,852	79.0
2024	74.2	75.2	277	72.1	56,603	68.1
Upper						
2023	13.8	16.8	48	9.8	8,163	10.8
2024	13.8	15.1	48	12.5	18,653	22.4
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>492</b>	<b>100.0</b>	<b>75,766</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>384</b>	<b>100.0</b>	<b>83,158</b>	<b>100.0</b>
<i>Source: 2020 Census; Imported Bank Data; 2023 and 2024 HMDA Aggregate Data</i> <i>Due to rounding, totals may not equal 100.0%.</i>						

### ***Small Business Loans***

Small business lending reflects excellent penetration throughout the assessment area. MSB significantly exceeded aggregate performance and demographics in 2023 and exceeded demographics in 2024.

Geographic Distribution of Small Business Loans Assessment Area: Non-MSA, ME						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
Moderate						
2023	9.9	9.8	60	13.9	4,856	14.6
2024	10.3	--	60	14.9	3,981	10.9
Middle						
2023	70.4	70.0	323	74.9	24,226	72.9
2024	68.8	--	295	73.0	26,842	73.6
Upper						
2023	19.8	20.2	48	11.1	4,148	12.5
2024	20.9	--	49	12.1	5,659	15.5
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>431</b>	<b>100.0</b>	<b>33,230</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>404</b>	<b>100.0</b>	<b>36,482</b>	<b>100.0</b>
Source: 2023 and 2024 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### ***Small Farm Loans***

Small farm lending reflects good penetration throughout the assessment area. The bank performed below aggregate and demographics for all three years in the assessment area. The majority (70.3 percent) of the area's 1,003 farms are located in middle-income census tracts. Within the Non-MSA, ME assessment area, 64.0 percent of those tracts are designated as rural underserved. Furthermore, market share data shows MSB is the number one small farm lender in the assessment area, which supports the bank's good performance under this criterion.

Geographic Distribution of Small Farm Loans Assessment Area: Non-MSA, ME						
Tract Income Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
Moderate						
2023	18.4	6.4	2	1.1	491	4.2
2024	18.8	--	2	1.3	85	0.8
Middle						
2023	71.5	82.0	173	92.5	10,837	92.2
2024	70.3	--	141	89.2	9,101	87.6
Upper						
2023	10.1	11.5	12	6.4	424	3.6
2024	10.9	--	15	9.5	1,198	11.5
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>187</b>	<b>100.0</b>	<b>11,752</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>158</b>	<b>100.0</b>	<b>10,384</b>	<b>100.0</b>
Source: 2023 and 2024 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### **Borrower Profile**

The distribution of borrowers reflects excellent penetration among retail customers of different income levels and business and farm customers of different sizes throughout the Non-MSA, ME Assessment Area. Excellent performance in home mortgage, small business, and small farm lending support this conclusion.

### ***Home Mortgage Lending***

The distribution of home mortgage loans reflects excellent penetration among individuals of different income levels, including low- and moderate-income borrowers. The bank's performance exceeded aggregate in 2023 and 2024 but was below the percentage of low-income families in both years. While the bank's percentage fell below demographic data, it should be noted that 8.2 percent of families in the Non-MSA, ME assessment area live below the poverty line. This contributes to an even lower percentage of low-income families that can reasonably afford a home mortgage in this assessment area.

MSB's lending performance to moderate-income borrowers was comparable to aggregate performance and was slightly below demographic data in 2023. In 2024, the bank's performance exceeded aggregate performance and demographic data.

In 2023, market share reports shows MSB as the top-ranked institution lending to low- and moderate-income borrowers. In 2024, MSB was the 3<sup>rd</sup> ranked lending to low-income borrowers and 2<sup>nd</sup> ranked lending to moderate-income borrowers. The bank's market share further supports the excellent performance.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Non-MSA, ME						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	19.2	7.2	37	7.5	1,919	2.5
2024	19.2	5.8	26	6.8	1,666	2.0
Moderate						
2023	18.7	18.0	87	17.7	7,035	9.3
2024	18.7	15.9	72	18.8	7,573	9.1
Middle						
2023	21.9	20.4	111	22.6	13,363	17.6
2024	21.9	22.3	83	21.6	10,344	12.4
Upper						
2023	40.3	43.3	203	41.3	39,894	52.7
2024	40.3	42.6	146	38.0	34,103	41.0
NA						
2023	0.0	11.0	54	11.0	13,555	17.9
2024	0.0	13.4	57	14.8	29,472	35.4
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>492</b>	<b>100.0</b>	<b>75,766</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>384</b>	<b>100.0</b>	<b>83,158</b>	<b>100.0</b>
Source: 2020 Census; Imported Bank Data; 2023 and 2024 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.						

### ***Small Business Lending***

The distribution of small business loans reflects excellent penetration among businesses of different sizes. MSB's lending performance to businesses with GARs of \$1 million or less exceeded aggregate in 2023 and was below demographic data in 2023 and 2024. Although the bank's lending performance was below the percentage of businesses, aggregate lending is weighted heavier for comparison as it reflects the actual demand for small business loans.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Non-MSA, ME						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	85.6	61.8	291	67.5	19,374	58.3
2024	86.0	--	263	65.1	18,782	51.5
> \$1,000,000						
2023	3.8	--	89	20.7	11,399	34.3
2024	3.3	--	105	26.0	15,798	43.3
Revenue Not Available						
2023	10.7	--	51	11.8	2,457	7.4
2024	10.6	--	36	8.9	1,902	5.2
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>431</b>	<b>100.0</b>	<b>33,230</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>404</b>	<b>100.0</b>	<b>36,482</b>	<b>100.0</b>
Source: 2023 and 2024 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### Small Farm Lending

The distribution of small farm loans reflects excellent penetration of loans to farms with GARs of \$1.0 million or less. MSB's performance exceeded aggregate and demographics in 2023 and exceeded demographics in 2024.

Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: Non-MSA, ME						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	95.6	86.0	179	95.7	10,277	87.5
2024	96.1	--	153	96.8	10,180	98.0
> \$1,000,000						
2023	3.6	--	8	4.3	1,475	12.6
2024	3.3	--	3	1.9	145	1.4
Revenue Not Available						
2023	0.8	--	0	0.0	0	0.0
2024	0.6	--	2	1.3	59	0.6
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>187</b>	<b>100.0</b>	<b>11,752</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>158</b>	<b>100.0</b>	<b>10,384</b>	<b>100.0</b>
Source: 2023 and 2024 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

## **Community Development Loans**

MSB is a leader in originating community development loans in this assessment area. The bank originated 88 community development loans totaling approximately \$104.2 million in the Non-MSA, ME assessment area. This level of activity is a significant increase in dollar volume from the prior evaluation when the bank originated 128 loans for \$81.2 million. The following table illustrates the bank's community development lending by year and purpose.

<b>Community Development Lending Assessment Area: Non-MSA, ME</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2021 (Partial)	0	0	2	4,400	0	0	2	2,829	4	7,229
2022	0	0	1	230	1	300	21	22,789	23	23,319
2023	1	500	1	1,900	1	1,392	20	29,724	23	33,516
2024	2	677	3	710	1	1,500	18	13,985	24	16,872
2025 YTD	1	708	0	0	0	0	13	22,529	14	23,237
<b>Total</b>	<b>4</b>	<b>1,885</b>	<b>7</b>	<b>7,240</b>	<b>3</b>	<b>3,192</b>	<b>74</b>	<b>91,856</b>	<b>88</b>	<b>104,173</b>
<i>Source: Bank Data</i>										

The following are examples of community development loans benefitting the Non-MSA, ME assessment area.

- In 2022, the bank originated a \$1.6 million loan to a Federally Qualified Health Center (FQHC) organization to build a pediatric care unit. A FQHC provides comprehensive care to patients, regardless of their ability to pay. The loan helps to provide healthcare to a rural underserved middle-income geography.
- In 2024, the bank originated a \$600,000 loan to a municipal utility district in the assessment area. The loan proceeds helped stabilize the area by funding the upgrades to a wastewater treatment facility serving residents of a designated rural underserved community.
- During the evaluation period, the bank originated 15 Tax Anticipation Notes (TANs) totaling \$25.1 million to underserved middle-income municipalities. These TANs primarily provided operating cash flow and working capital, stabilizing the towns operating in the rural underserved areas in the Non-MSA assessment area.

## **INVESTMENT TEST**

MSB demonstrated excellent performance under the Investment Test in the Non-MSA assessment area. The bank's excellent performance in the Investment and Grant Activity and Responsiveness to Credit and Community Development Needs criteria primarily supports this conclusion. The following sections discuss the bank's Investment Test performance under each factor.

### **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. The bank made 335 qualified investments totaling approximately \$1.6 million in the Non-MSA, ME assessment area. While the dollar volume of investments decreased, the number of investments increased since the prior evaluation, when the bank made 260 qualified investments totaling \$3.5 million. Although the dollar volume of qualified investments decreased from the prior evaluation the Non-MSA, ME assessment area also benefitted from 84 qualified investments totaling approximately \$12.2 million that benefitted a broader regional and statewide area that included this assessment area.<sup>2</sup> The following table illustrates the bank's community development qualified investments by year and purpose.

<b>Qualified Investments</b>										
<b>Assessment Area: Non-MSA, ME</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	2	856	0	0	0	0	0	0	2	856
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0
2025 YTD	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>2</b>	<b>856</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>856</b>
Qualified Grants & Donations	9	27	282	483	37	249	5	31	333	790
<b>Total</b>	<b>11</b>	<b>883</b>	<b>282</b>	<b>483</b>	<b>37</b>	<b>249</b>	<b>5</b>	<b>31</b>	<b>335</b>	<b>1,646</b>
<i>Source: Bank Data</i>										

The following are examples of qualified equity investments and qualified donations benefitting the Non-MSA assessment area.

<sup>2</sup> Table does not reflect these statewide and regional investments.

### Prior Equity Investments

- ***Mano en Mano – Welcome Home Downeast Project*** – In 2021, MSB established an investment fund for Mano en Mano and provided the initial \$250,000 investment. Proceeds supported the Welcome Home Downeast Project. This project provided affordable housing to low- and moderate-income migrant families in the assessment area through the purchase and renovation of one- and two-family properties and helped families achieve long-term homeownership. The current book value is \$250,000.
- ***Belfast Acres LLP*** – In 2020, MSB invested \$2.0 million to fund the construction of 25 affordable housing units in Belfast. The bank's investment helped save the project as the developer lost its initial investor due to pandemic-related complications. The current book value is \$606,256.

### Donations

- ***Sunrise County Economic Council (SCEC)*** – SCEC is a non-profit organization that supports economic and community development services to small businesses, entrepreneurs, and low- and moderate-income households in Washington County. SCEC partners with other organizations to provide workforce development, SBA grants and loans, and small business resources. SCEC also provides community infrastructure such as broadband for low-income households and scholarships for Washington County students. The bank made multiple donations to this organization during the evaluation period.
- ***Lubec Community Outreach Center (LCOC)*** – LCOC is a community service organization providing services to low- and moderate-income individuals and families in Lubec, ME. Services include a food pantry, thrift store, senior citizen programs, and afterschool and summer recreation programs. The bank made multiple donations to this organization during the evaluation period.
- ***Families First Community Center (FFCC)*** – FFCC is a non-profit organization providing residential and outreach programs for homeless families with children in Hancock County, ME. FFCC provides transitional housing and an outreach program that offers life-skills classes, referrals to warming-centers, and housing assistance programs. The bank made multiple donations to this organization during the evaluation period.

### Responsiveness to Credit and Community Development Needs

MSB exhibits excellent responsiveness to credit and community development needs of the Non-MSA, ME assessment area. MSB focused a significant percentage of its donations/grants to community services and economic development. The bank's prior period equity investments focused on affordable housing and many of the statewide investments (which benefit the Non-MSA) had a significant focus on affordable housing, which was identified as a critical need for the area.

### Community Development Initiatives



The bank uses innovative and/or complex investments to support community development initiatives. For additional information, refer to the Investment Test section for the combined assessment area.

## SERVICE TEST

MSB demonstrated excellent performance under the Service Test in the Non-MSA, ME assessment area. Accessibility of Delivery Systems and Community Development Services criteria primarily supports this conclusion. The following sections discuss the bank's performance under each criterion.

### Accessibility of Delivery Systems

Delivery systems are readily accessible to essentially all portions of the bank's Non-MSA, ME assessment area. The bank operates 11, or 68.8 percent, of its 16 branches, and 12, or 75.0 percent, of its ATMs in this assessment area. The following table shows the branch and ATM distribution by census tract income level in the Non-MSA, ME assessment area, along with the population distribution by census tract income level.

Branch and ATM Distribution by Geography Income Level Assessment Area: Non-MSA, ME								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0	0	0
Moderate	10	13.9	25,981	11.9	2	18.2	2	16.7
Middle	50	69.4	162,299	74.1	8	72.7	9	75.0
Upper	9	12.5	30,747	14.0	1	9.1	1	8.3
NA	3	4.2	0	0.0	0	0	0	0
<b>Total</b>	<b>72</b>	<b>100.0</b>	<b>219,027</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>
<i>Source: 2020 Census Data; Bank Data</i>								

Branch distribution and alternative delivery systems for this assessment area are consistent with the institution overall. Of the 11 branches in this area, 7 are in underserved middle-income census tracts. In addition, the Danforth branch, which is located in a moderate-income census tract supports a rural community with limited access to financial services and where the majority of the population is of low- or moderate-income (53.3 percent) and 13.0 percent of families are below poverty level. The next closest financial institution is 37 miles away.

The bank's Danforth branch and the other seven branches located in the underserved areas provide financial access to customers who otherwise may not have had access to banking products and services. This demonstrates an excellent level of commitment to reach and serve the needs of low- and moderate-income residents and communities through retail services.

### 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 moderate-income geographies and/or to low- and moderate -income individuals. During the evaluation period, the bank did not open or close any branches in the Non-MSA, ME assessment area.

### **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 areas, particularly low- and moderate-income geographies and/or individuals, which is consistent with that at the institution level. Branch and drive-up hours are generally consistent at each location with weekday hours of 8:00A.M. to 5:00 P.M. Monday – Friday.

### **Community Development Services**

MSB is a leader in providing community development services. The bank provided 4,709 hours of financial or technical assistance to different community development-related organizations in the Non-MSA, ME assessment area. This level of activity is a significant increase since the prior evaluation when the bank provided 3,591 hours of service. The majority of community service activities helped to support services for low- and moderate-income individuals and economic development organizations, both identified as primary community development needs in the area. The following table illustrates the bank’s community development services by year and purpose.

<b>Community Development Services Assessment Area: Non-MSA, ME</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2021 (Partial)	0	337	94	37	<b>468</b>
2022	9	561	200	86	<b>856</b>
2023	22	1193	158	120	<b>1,493</b>
2024	34	913	100	42	<b>1,089</b>
YTD 2025	32	687	39	45	<b>803</b>
<b>Total</b>	<b>97</b>	<b>3,691</b>	<b>591</b>	<b>330</b>	<b>4,709</b>
<i>Source: Bank Data</i>					

The following are examples of the bank’s community development services in the Non-MSA, ME assessment area.

- ***Maine Seacoast Mission*** – Maine Seacoast Mission provides various social, health, and economic development services that benefit low- and moderate-income individuals living along the seacoast area. Services include a food pantry, afterschool programs, youth development, scholarships, and housing rehabilitation. In addition, the Sunbeam (ocean vessel) delivers food, health, educational, and building services to low- and moderate-

income residents of outer, unbridged islands. A Vice President serves on the organization's Board.

- ***United Way of Aroostook*** – UWA is a non-profit organization that serves Aroostook County. UWA funds other non-profits and initiatives focusing on financial stability, health, and education. The majority of UWA's initiatives and funding benefit low- and moderate-income people and geographies. A Vice President and Assistant Vice President served on the organization's Board and as Treasurer during the evaluation period.
- ***Southern Aroostook Development Corporation (SADC)*** – SADC supports economic development in Southern Aroostook County by providing essential resources for startups and established small businesses with business planning, funding opportunities, resources, and networking opportunities. A commercial loan employee serves on the organization's Board.

## **BANGOR, ME MSA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN BANGOR, ME MSA**

MSB operates 3, or 18.8 percent, of its 16 branches in the Bangor, ME MSA assessment area. The Bangor, ME MSA represents 25.3 percent of the total number of census tracts in the bank's assessment area, 24.5 percent of the bank's loans, and 22.6 percent of the bank's deposits.

#### **Economic and Demographic Data**

The Bangor, ME MSA assessment area includes the entirety of Penobscot County. This assessment area has not changed since the prior evaluation. According to 2020 U.S. Census Data, the Bangor, ME MSA assessment area reflects the following income designations:

- 0 low-income census tracts,
- 15 moderate-income census tracts,
- 21 middle-income census tracts,
- 9 upper-income census tracts, and
- 1 census tract with no income designation.

The 15 moderate-income tracts are in Bangor. The census tract with no income designation is the Penobscot Indian Island Reservation. The Federal Emergency Management Agency (FEMA) issued seven Designated Major Declarations impacting the Bangor, ME MSA during the evaluation period. These declarations related to severe storms and flooding in 2022, 2023, and 2024, and one severe winter storm in 2024. Examiners consider bank activities related to disaster recovery that revitalize or stabilize a designated disaster area for 36 months following the designated date.

Furthermore, there are seven Opportunity Zones located within Penobscot County in Bangor, including Brewer, East Millinocket, Enfield, Lincoln, Millinocket, and Old Town. The Opportunity Zone Program provides incentives for investing in certain census tracts to encourage growth in low-income areas. The following table illustrates select demographic characteristics of the Bangor, ME MSA assessment area.

Demographic Information of the Assessment Area Assessment Area: Bangor, ME MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	46	0.0	32.6	45.7	21.7	0.0
Population by Geography	152,199	0.0	28.0	47.4	24.6	0.0
Housing Units by Geography	76,088	0.0	31.8	47.5	20.7	0.0
Owner-Occupied Units by Geography	44,198	0.0	26.4	49.1	24.5	0.0
Occupied Rental Units by Geography	18,875	0.0	32.6	48.0	19.4	0.0
Vacant Units by Geography	13,015	0.0	48.9	41.4	9.7	0.0
Businesses by Geography	12,972	0.0	21.3	55.4	23.3	0.0
Farms by Geography	498	0.0	16.9	57.8	25.3	0.0
Family Distribution by Income Level	38,100	19.0	19.5	21.1	40.4	0.0
Household Distribution by Income Level	63,073	24.2	17.0	17.5	41.4	0.0
Median Family Income MSA - 12620 Bangor, ME MSA		\$67,988	Median Housing Value			\$144,190
			Median Gross Rent			\$824
			Families Below Poverty Level			7.8%
Source: 2020 U.S. Census and 2023 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.						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Housing costs are relatively inexpensive in the Bangor, ME MSA assessment area as demonstrated by the median housing value of \$144,190, which is less than the ME average of \$390,200 and the national average of \$419,300.

Examiners used the 2023 and 2024 FFIEC-updated median family income level to analyze home mortgage loans under the Borrower Profile criterion. The following table presents low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Bangor, ME MSA Median Family Income (12620)				
2023 (\$88,000)	<\$44,000	\$44,000 To <\$70,400	\$70,400 To <\$105,600	≥\$105,600

2024 (\$87,900)	<\$43,950	\$43,950 To <\$70,320	\$70,320 To <\$105,480	>=\$105,480
Source: FFIEC				

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. According to 2024 D&B data, there were 12,972 non-farm businesses in the assessment area. GARs for these businesses follow.

- 83.5 percent have \$1 million or less.
- 4.5 percent have more than \$1 million.
- 12.0 percent have unknown revenues.

Non-classifiable establishments represent the largest portion of businesses (13.6 percent); followed by Other Services (except Public Administration) (9.5 percent); Health Care and Social Assistance (9.3 percent); and Retail Trade (8.8 percent). In addition, 70.8 percent of businesses have four or fewer employees and 88.1 percent operate from a single location.

The U.S. Bureau of Labor Statistics reports that unemployment rates in the assessment area decreased throughout most of the evaluation period with an increase from 2023 to 2024. This trend is similar to statewide and national trends in unemployment following the COVID-19 pandemic.

Unemployment Rates				
Area	2021	2022	2023	2024
	%	%	%	%
Penobscot County	4.8	3.0	3.1	3.8
State of Maine	4.6	3.0	2.9	3.4
National Average	5.3	3.7	3.6	4.1
Source: Bureau of Labor Statistics				

## **Competition**

The Bangor, ME MSA assessment area is a competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2025, nine financial institutions operated 42 branches in the assessment area. Of these, MSB ranked 3<sup>rd</sup> with 9.5 percent market share. Bangor Savings Bank ranked 1<sup>st</sup> with 51.3 percent of the market share.

The bank faces a high level of competition for home mortgage loans from national banks, non-depository mortgage lenders, and other state-chartered community banks. In 2023, 163 lenders reported 3,274 residential mortgages in the assessment area. MSB ranked 6<sup>th</sup> with a 3.8 percent market share and was the 2<sup>nd</sup> ranked state-chartered community bank. In 2024, 178 lenders reported 3,661 loans in the assessment area. MSB ranked 10<sup>th</sup> with 2.7 percent market share and again was the 2<sup>nd</sup> ranked state-chartered community bank. The top three institutions, Bangor Savings Bank, Maine Savings Federal Credit Union, and Rocket Mortgage, LLC, collectively held 28.9 percent of the market share.

There is also a high level of competition for small business loans. In 2022, 65 lenders reported 3,491 small business loans in the assessment area. MSB ranked 7<sup>th</sup> with a 5.7 percent market share and was the top-ranked state-chartered community bank. In 2023, 62 lenders originated 3,023 small business loans in the assessment area. MSB ranked 8<sup>th</sup> with 5.5 percent market share and was the 2<sup>nd</sup> ranked state-chartered community bank. The top three institutions, American Express N.A., JPMorgan Chase Bank N.A., and Synchrony Bank collectively held 34.7 percent of the market share.

### **Credit and Community Development Needs and Opportunities**

Considering information from bank management, as well as demographic and economic data, examiners determined that affordable housing and small business financing represent primary credit needs in the Bangor, ME MSA assessment area. Many businesses operate in Bangor due to its proximity to customers, infrastructure, and workforce. Community development needs include small business technical assistance and workforce development.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN BANGOR, ME MSA**

### **LENDING TEST**

MSB demonstrated excellent performance under the Lending Test in the Bangor, ME MSA assessment area. The bank's excellent performance in the Lending Activity, Geographic Distribution, and Community Development Lending criteria supports this conclusion. The following sections discuss the bank's Lending Test performance under each criterion.

#### **Lending Activity**

Lending levels reflect excellent responsiveness to assessment area credit needs. During the evaluation period, the bank originated or purchased 351 home mortgage loans totaling approximately \$77.8 million and originated 528 small business loans totaling approximately \$61.1 million inside the Bangor, ME MSA assessment area.

The competition section includes details regarding the bank's market share rankings for home mortgage and small business lending. MSB ranked in the top ten percent of home mortgage lenders throughout the evaluation period. For small business MSB was the top-ranked state-chartered community bank in 2022 and the 2<sup>nd</sup> ranked state-chartered community bank in 2023.

#### **Geographic Distribution**

The geographic distribution of loans reflects excellent dispersion throughout the Bangor, ME MSA assessment area. The bank's excellent performance in home mortgage and small business lending

support this conclusion. Examiners focused on the percentage of loans in moderate-income census tracts.

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

The geographic distribution of home mortgage loans reflects excellent penetration throughout the Bangor, ME MSA assessment area. The bank's performance in moderate-income census tracts exceeded aggregate and was below demographic data in 2023. Market share data for 2023 showed that MSB was the 2<sup>nd</sup> ranked state-chartered community bank lending in moderate-income geographies. In 2024, the bank's performance significantly exceeded aggregate and demographic data.

<b>Geographic Distribution of Home Mortgage Loans</b> <b>Assessment Area: Bangor, ME MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner Occupied Housing Units</b>	<b>HMDA Aggregate % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
Moderate						
2023	26.4	23.2	31	24.8	3,742	13.7
2024	26.4	22.5	36	36.7	6,213	32.8
Middle						
2023	49.1	49.8	50	40.0	12,619	46.3
2024	49.1	47.7	41	41.8	8,791	46.4
Upper						
2023	24.5	27.0	44	35.2	10,888	40.0
2024	24.5	29.8	21	21.4	3,932	20.8
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>125</b>	<b>100.0</b>	<b>27,249</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>98</b>	<b>100.0</b>	<b>18,936</b>	<b>100.0</b>
<i>Source: 2020 Census; Imported Bank Data; 2023 and 2024 HMDA Aggregate Data</i> <i>Due to rounding, totals may not equal 100.0%.</i>						

### ***Small Business Loans***

The geographic distribution of small business loans reflects excellent penetration throughout the Bangor, ME MSA assessment area. MSB's lending performance in the moderate-income census tracts exceeded aggregate in 2023 and was below demographic data. In 2024, the bank's performance exceeded demographic data.

Geographic Distribution of Small Business Loans Assessment Area: Bangor MSA						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
Moderate						
2023	22.1	17.5	35	21.0	3,952	20.7
2024	21.1	--	38	23.6	3,157	16.9
Middle						
2023	54.0	50.7	77	46.1	8,042	42.1
2024	55.5	--	57	35.4	8,303	44.4
Upper						
2023	24.0	31.8	55	32.9	7,105	37.2
2024	23.4	--	66	41.0	7,229	38.7
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>167</b>	<b>100.0</b>	<b>19,099</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>161</b>	<b>100.0</b>	<b>18,689</b>	<b>100.0</b>
Source: 2023 and 2024 D&B Data; Bank Data; 2023 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, good penetration among retail customers of different income levels and businesses of different sizes. The bank's good performance in home mortgage primarily supports this conclusion.

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

The distribution of home mortgage loans reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers. The bank's lending performance to low-income borrowers was below aggregate and the percentage of low-income families in both years. While the bank's percentage fell below demographic data, it should be noted that 7.8 percent of families in the Bangor, ME MSA assessment area live below the poverty line. This contributes to an even lower percentage of low-income families that can reasonably afford a home mortgage in this assessment area. Furthermore, market share reports for 2023 showed MSB ranked 10<sup>th</sup> out of 59 institutions lending to low-income borrowers and was the 2<sup>nd</sup> ranked state-chartered community bank. MSB was also the 2<sup>nd</sup> ranked state-chartered community bank in 2024.



MSB's lending performance to moderate-income borrowers was below aggregate and the percentage of moderate-income families in both years. Market share reports for 2023 showed MSB ranked 15<sup>th</sup> out of 79 institutions lending to moderate-income borrowers and was the 2<sup>nd</sup> ranked state-chartered community bank, outperformed by Bangor Savings Bank a much larger state-chartered community bank headquartered in Bangor. MSB was also the 2<sup>nd</sup> ranked state-chartered community bank in 2024.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Bangor, ME MSA						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	19.0	8.1	7	5.6	636	2.3
2024	19.0	6.9	4	4.1	330	1.7
Moderate						
2023	19.5	20.3	13	10.4	1,361	5.0
2024	19.5	17.5	6	6.1	532	2.8
Middle						
2023	21.1	23.1	19	15.2	2,340	8.6
2024	21.1	23.3	15	15.3	1,772	9.4
Upper						
2023	40.4	32.1	42	33.6	7,032	25.8
2024	40.4	34.7	32	32.7	7,262	38.4
NA						
2023	0.0	16.5	44	35.2	15,880	58.3
2024	0.0	17.6	41	41.8	9,040	47.7
Total						
2023	100.0	100.0	125	100.0	27,249	100.0
2024	100.0	100.0	98	100.0	18,936	100.0
Source: 2020 Census; Imported Bank Data; 2023 and 2024 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. MSB's lending performance to businesses with GARs of \$1 million or less exceeded aggregate in 2023 and was below demographic data in 2023 and 2024. Although the bank's lending was below the percentage of businesses, aggregate lending is weighted heavier for comparison as it reflects the actual demand for small business loans.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Bangor, ME MSA
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Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	83.0	56.9	99	59.3	9,326	48.8
2024	83.5	--	91	56.5	7,153	38.3
> \$1,000,000						
2023	5.0	--	51	30.5	9,394	49.2
2024	4.5	--	55	34.2	10,810	57.8
Revenue Not Available						
2023	12.0	--	17	10.2	379	2.0
2024	12.0	--	15	9.3	726	3.9
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>167</b>	<b>100.0</b>	<b>19,099</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>161</b>	<b>100.0</b>	<b>18,689</b>	<b>100.0</b>
Source: 2023 and 2024 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### **Community Development Loans**

MSB is a leader in originating community development loans in the Bangor, ME MSA assessment area. The bank originated 11 community development loans totaling approximately \$10.5 million in the Bangor, ME MSA assessment area. This level of activity is an increase in number of loans and a significant increase in dollar volume from the prior evaluation when the bank originated 8 loans for \$4.8 million. The following table illustrates the bank's community development lending by year and purpose.

Community Development Lending Assessment Area: Bangor, ME MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	0	0	0	0	0	0	1	98	1	98
2022	1	1,499	0	0	0	0	0	0	1	1,499
2023	1	750	0	0	1	1,150	1	1,150	2	1,900
2024	0	0	2	224	0	0	2	4,958	4	5,182
2025 YTD	0	0	0	0	0	0	3	1,806	3	1,806
<b>Total</b>	<b>2</b>	<b>2,249</b>	<b>2</b>	<b>224</b>	<b>1</b>	<b>1,150</b>	<b>6</b>	<b>6,862</b>	<b>11</b>	<b>10,485</b>
Source: Bank Data										

The following are examples of community development loans benefitting the Bangor, ME MSA assessment area.

- In 2022, the bank originated a \$1.5 million loan to finance the purchase of three mobile home parks in the assessment area. The loan supports affordable housing, by providing affordable housing to low- and moderate-income families in Bangor, ME.
- In 2023, the bank originated a \$1.2 million loan to construct a car wash in a moderate-income census tract. The loan supports economic development by supporting a small business creating permanent low- and moderate-income jobs.
- In 2024, the bank originated a \$141,206 loan to a school district in a moderate-income geography where the majority of students receive free or reduced price lunch. The loan proceeds were used to purchase a school bus. This supports community service in the area.

## **INVESTMENT TEST**

MSB demonstrated good performance under the Investment Test in the Bangor, ME MSA. The bank's good performance in the Investment and Grant Activity and excellent performance in the Responsiveness to Credit and Community Development Needs criteria primarily supports this conclusion. The following sections discuss the bank's Investment Test performance under each factor.

### **Investment and Grant Activity**

The bank has a significant level of qualified community development investments. The bank did not make any new equity investments. The bank made 76 qualified donations totaling \$395,983 in the Bangor, ME MSA assessment area. This level of activity is an increase since the prior evaluation, when the bank made 59 qualified investments totaling \$245,219, which included one prior equity investment for \$75,000 and 58 donations totaling \$170,219. In addition, the Bangor, ME MSA assessment area also benefitted from 84 qualified investments totaling approximately \$12.2 million that benefitted a broader regional and statewide area that included this assessment area.<sup>3</sup>

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<sup>3</sup> Table does not reflect these statewide and regional investments.

Qualified Investments Assessment Area: Bangor, ME MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	0	0	9	131	0	0	0	0	9	131
2022	1	10	18	69	4	12	0	0	23	91
2023	1	1	16	38	2	80	0	0	19	119
2024	1	1	12	18	4	11	0	0	17	30
2025 YTD	3	1	4	22	1	3	0	0	8	26
<b>Total</b>	<b>6</b>	<b>13</b>	<b>59</b>	<b>278</b>	<b>11</b>	<b>106</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>396</b>
Source: Bank Data										

The following are examples of qualified donations benefitting the Bangor, ME MSA assessment area.

- ***Designing Wall Housing (DWH)*** – DWH is a non-profit community organization that provides housing and services for individuals experiencing homelessness. DWH purchases vacant properties to create affordable housing units. MSB donated to this organization in 2025.
- ***Penquis Community Action Program (CAP)*** – Penquis CAP is a non-profit Community Development Financial Institution (CDFI). This organization provides various social, health, and economic development services that benefit Maine's low- and moderate-income population. MSB made multiple donations to this organization during the evaluation period.
- ***Bangor YMCA*** – The Bangor YMCA is a non-profit organization that provides various community development services to the area, including day-care, after -school programs, a food pantry, and health classes. The Bangor YMCA primarily serves low- and moderate - income individuals and families. MSB made multiple donations to this organization during the evaluation period.

### **Responsiveness to Credit and Community Development Needs**

MSB exhibits excellent responsiveness to credit and community development needs of the Bangor, ME MSA. MSB focused a majority (73.5 percent) of its donations/grants to affordable housing and community services. The bank's donations also supported economic development, which is also a significant community development need of this area. In addition, it should be noted that many of the statewide investments (which benefit Bangor) had a significant focus on affordable housing, which was identified as a critical need.

## **Community Development Initiatives**

The bank uses innovative and/or complex investments to support community development initiatives. For additional information, refer to the Investment Test section for the combined assessment area.

## **SERVICE TEST**

MSB demonstrated good performance under the Service Test in the Bangor, ME MSA assessment area. The bank's good performance under each criteria supports this conclusion. The following sections discuss the bank's performance under each criterion.

### **Accessibility of Delivery Systems**

Delivery systems are accessible to essentially all portions of this assessment area. The bank operates 3, or 18.8 percent, of its branches and 3, or 17.6 percent, of its ATMs in the Bangor, ME MSA assessment area. The following table shows the branch and ATM distribution by census tract income level in the Bangor, ME MSA assessment area, along with the population distribution by census tract income level.

<b>Branch and ATM Distribution by Geography Income Level</b>								
<b>Assessment Area: Bangor, ME MSA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	15	32.6	42,575	28.0	1	33.3	1	33.3
Middle	21	45.7	72,133	47.4	1	33.4	1	33.4
Upper	10	21.7	37,491	24.6	1	33.3	1	33.3
NA	0	0.0	0	0.0	0	0.0	1	33.3
<b>Total</b>	<b>46</b>	<b>100.0</b>	<b>152,199</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>		<b>100.0</b>
<i>Source: 2020 Census Data; Bank Data</i>								

MSB's branch distribution exceeds the demographic comparators in moderate-income census tracts. The two branches located in the middle- and upper-income census tracts in Bangor and Brewer are within three miles of the three moderate-income tracts located in downtown Bangor. Moderate-income tracts located in Dixmont, Old Town, and Orono are between 12 and 25 miles from these branches.

The remaining eight moderate-income census tracts are located in the northern most rural part of the assessment area. The Lincoln branch supports this rural community which has limited access to financial services, where 10.3 percent of families are below poverty level, and a majority of the population is low- or moderate-income (54.5 percent). Branch distribution and alternative delivery systems for the assessment area are consistent with the overall institution.

### **Changes in Branch Locations**

During the evaluation period, the bank did not open or close any branches in the Bangor, ME MSA assessment area.

### **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, particularly low- and moderate-income geographies and/or individuals, which is consistent with that at the institution level. Branch and drive-up hours are generally consistent at each location with weekday hours of 8:00A.M. to 5:00 P.M. Monday – Friday.

### **Community Development Services**

MSB provides a relatively high level of community development services. The bank provided 827 hours of financial or technical support assistance to 26 different community development-related organizations in the Bangor, ME MSA. This level of activity is a significant increase since the prior evaluation when the bank provided 325 hours of service. The majority of community service activities helped support services for low- and moderate-income individuals, and affordable housing organizations, both identified as primary community development needs in the area. The following table illustrates the bank’s community development services by year and purpose.

<b>Community Development Services Assessment Area: Bangor, ME MSA</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2021 (Partial)	0	30	24	0	<b>54</b>
2022	47	128	71	0	<b>246</b>
2023	71	113	36	0	<b>220</b>
2024	35	165	3	0	<b>203</b>
YTD 2025	20	84	0	0	<b>104</b>
<b>Total</b>	<b>173</b>	<b>520</b>	<b>134</b>	<b>0</b>	<b>827</b>
<i>Source: Bank Data</i>					

The following are examples of the bank’s community development services in the Bangor, ME MSA assessment area.

- **MaineStream Finance** – MaineStream Finance is a non-profit CDFI organization dedicated to economic development by providing credit, capital, and financial services that are often unavailable from traditional financial institutions. MaineStream also offers financial coaching for low-income people who struggle with managing their finances and foreclosure prevention counseling. A senior vice president serves on the organization’s Board and Loan Committee.

- ***Bangor Housing Development Corporation*** (BHDC) – BHDC provides affordable housing opportunities and assistance for low- to moderate-income households, offering both apartments and houses for rent through a variety of programs. A senior vice president serves on the organization’s Board.

## **PORTLAND-SOUTH PORTLAND, ME MSA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN PORTLAND-SOUTH PORTLAND, ME MSA**

MSB operates 1, or 6.2 percent, of its 16 branches in the Portland-South Portland, ME MSA assessment area. This assessment area represents 14.8 percent of the total number of census tracts in the bank’s combined assessment area, 5.3 percent of the bank’s loans, and 24.9 percent of the bank’s deposits. Examiners placed the least weight on the performance in the Portland-South Portland, ME MSA assessment area in arriving at the overall rating as it accounts for the smallest percentage of loans, and a smaller percentage of deposits and branches than the other assessment areas.

#### **Economic and Demographic Data**

The Portland-South Portland, ME MSA assessment area of 27 census tracts in Cumberland County. The assessment area has not changed since the prior evaluation. According to 2020 U.S. Census Data, the Portland-South Portland, ME MSA assessment area reflects the following income designations:

- 0 low-income tracts,
- 7 moderate-income tracts,
- 16 middle-income tracts, and
- 4 upper-income tracts.

The seven moderate-income census tracts are located in Portland (5) and South Portland (2). FEMA issued seven Designated Major Declarations impacting the Portland-South Portland, ME MSA assessment area during the evaluation period. These declarations related to severe storms and flooding in 2022, 2023, and 2024, and one severe winter storm in 2024. Examiners consider bank activities related to disaster recovery that revitalize or stabilize a designated disaster area for 36 months following the designated date.

Furthermore, there are two Opportunity Zones located Portland and South Portland. The Opportunity Zone Program provides incentives for investing in certain census tracts to encourage growth in low- and moderate-income areas. The following table illustrates select demographic

characteristics of the Portland-South Portland, ME MSA assessment area based on the 2020 U.S. Census data.

Demographic Information of the Assessment Area Assessment Area: Portland-South Portland, ME MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	27	0.0	25.9	59.3	14.8	0.0
Population by Geography	95,140	0.0	24.9	55.9	19.2	0.0
Housing Units by Geography	46,449	0.0	24.7	57.6	17.8	0.0
Owner-Occupied Units by Geography	21,254	0.0	17.7	59.9	22.4	0.0
Occupied Rental Units by Geography	20,901	0.0	32.9	52.4	14.7	0.0
Vacant Units by Geography	4,294	0.0	18.9	71.0	10.1	0.0
Businesses by Geography	20,753	0.0	19.0	71.7	9.3	0.0
Farms by Geography	254	0.0	17.7	74.0	8.3	0.0
Family Distribution by Income Level	19,337	21.9	17.6	21.5	39.0	0.0
Household Distribution by Income Level	42,155	28.6	17.2	18.1	36.1	0.0
Median Family Income MSA - 38860 Portland-South Portland, ME MSA		\$89,988	Median Housing Value			\$ 328,996
			Median Gross Rent			\$1,196
			Families Below Poverty Level			6.3%
Source: 2020 Census and 2024 D&B Data (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Housing costs are moderately expensive in the Portland-South Portland, ME MSA assessment area as demonstrated by the median housing value of \$328,996, which is less than the ME average of \$390,200 and the national average of \$419,300. As shown in the previous table, owner-occupancy rates in the moderate-income census tracts are low, limiting the bank's home mortgage lending opportunities in those tracts.

Examiners used the 2023 and 2024 FFIEC-updated median family income level to analyze home mortgage loans under the Borrower Profile criterion. The following table presents low-, moderate-, middle-, and upper-income categories.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥ 120%</b>
<b>Portland-South Portland, ME MSA Median Family Income (38860)</b>				
2023 (\$108,500)	<\$56,250	\$56,250 To <\$90,000	\$90,000 To <\$135,000	≥\$135,000
2024 (\$112,500)	<\$54,250	\$54,250 To <\$86,800	\$86,800 To <\$130,200	≥\$130,200
<i>Source: FFIEC</i>				



The analysis of small business loans under Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR). According to 2024 D&B data, 20,753 non-farm businesses operate in the Portland-South Portland, ME MSA assessment area. GARs for these businesses follow.

- 88.2 percent have \$1.0 million or less
- 3.2 percent have more than \$1.0 million, and
- 8.6 percent have unknown revenues

Non-classifiable establishments represent the largest portion of businesses (21.1 percent); followed by real estate rental and leasing (13.5 percent); professional, scientific, and technical services (10.5 percent); health care and social assistance (8.56 percent); and other services (except Public Administration) (7.9 percent). In addition, 66.4 percent of area businesses have four or fewer employees and 92.1 percent operate from a single location.

The U.S. Bureau of Labor Statistics reports that unemployment rates in the assessment area generally decreased during the evaluation period with an increase in 2024, as shown in the following table. These trends are similar to statewide and national trends in unemployment following the COVID-19 pandemic.

Unemployment Rates				
Assessment Area: Portland-South Portland, ME MSA				
Area	2021	2022	2023	2024
	%	%	%	%
Cumberland County	4.0	2.3	2.1	2.5
State of Maine	4.6	3.0	2.9	3.4
National Average	5.3	3.7	3.6	4.1
<i>Source: Bureau of Labor Statistics</i>				

## **Competition**

The Portland-South Portland, ME MSA assessment area is a competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2025, 17 financial institutions operated 45 branches in the assessment area. Of these, MSB ranked 7<sup>th</sup> with 5.7 percent market share. Northeast Bank, Bank of America, N.A., and TD Bank, N.A. were the top three institutions and collectively held 56.2 percent of the market share.

The bank faces a high level of competition for home mortgage loans from national banks, non-depository mortgage lenders, and other state-chartered community banks. In 2023, 155 lenders reported 1,724 home mortgage loans in the assessment area. MSB ranked 35<sup>th</sup> with a 0.6 percent market share, outperformed by six other state-chartered community banks. In 2024, 167 lenders reported 1,937 loans in the assessment area. MSB ranked 54<sup>th</sup> with 0.3 percent market share. The top three institutions, Bangor Savings Bank, Town & Country Federal Credit Union, and United Wholesale Mortgage, LLC, collectively held 24.4 percent of the market share.

There is also a high level of competition for small business loans. In 2022, 87 lenders originated 9,373 small business loans in the assessment area. MSB ranked 23<sup>rd</sup> with 0.5 percent market share. In 2023, 84 lenders originated 8,887 small business loans in the assessment area. MSB ranked 24<sup>th</sup> with 0.3 percent market share. MSB 4<sup>th</sup> ranked state-chartered community bank lending to small businesses in both years. The top three institutions, American Express N.A., JPMorgan Chase Bank N.A., and Capital One, N.A. collectively held 45.1 percent of the market share.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the assessment area to help to identify the area's credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available.

Examiners referenced a recent contact with a representative of an affordable housing organization that operates in the Portland-South Portland, ME MSA. The organization offers various housing services primarily for low- and moderate-income individuals with a focus on building affordable housing. The community contact noted that affordable housing continues to be a primary need in the Portland-South Portland MSA. The contact also indicated that community banks in the area have been responsive to the needs of low- and moderate-income residents and have partnered with affordable housing organizations by providing fair interest rates, making credit available, and donating their time when needed.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable and rental housing are the assessment area's primary community development needs, and that opportunities exist for banks to invest in affordable housing projects. Additionally, affordable home mortgage lending programs are a primary credit need for many residents.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN PORTLAND-SOUTH PORTLAND, ME MSA**

### **LENDING TEST**

MSB demonstrates adequate performance under the Lending Test in the Portland-South Portland, ME MSA. The bank's adequate performance in Lending Activity, Borrower Profile, and Community Development Lending criteria primarily supports this conclusion. The following sections discuss the bank's performance under each criterion.

## **Lending Activity**

The bank's lending levels reflect adequate responsiveness to the credit needs of the assessment area. During the evaluation period, the bank originated or purchased 43 home mortgage loans totaling \$20.2 million and 47 small business loans totaling \$10.0 million. The trends for this assessment area are the same as those discussed in the overall Lending Activity section.

The competition section includes details regarding the bank's market share rankings for home mortgage and small business lending. MSB home mortgage lending performance within the Portland-South Portland, ME MSA assessment area, ranked 7<sup>th</sup> and 10<sup>th</sup> among state-chartered community banks, in 2023 and 2024 respectively. For small business lending, MSB ranked 4<sup>th</sup> among state-chartered community banks in 2022 and 2023.

## **Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout the Portland-South Portland, ME MSA. The bank's adequate performance in home mortgage lending primarily supports this conclusion. Examiners focused on the percentage by number of loans in moderate-income census tracts.

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

The geographic distribution of home mortgage loans reflects adequate penetration throughout the Portland-South Portland, ME assessment area. The bank's lending performance in 2023 trended below aggregate performance and demographics. Market share reports in 2023 indicate a lower demand for home mortgage loans in moderate-income census tracts with 87 lenders originating only 328 loans in the assessment area. Additionally, there was a high level of competition for home mortgage loans in these geographies, with 63.2 percent of lenders originating two or fewer home mortgage loans within the moderate income geographies in 2023. In 2024, the bank's performance exceeded aggregate performance and demographics.

<b>Geographic Distribution of Home Mortgage Loans</b> <b>Assessment Area: Portland-South Portland, ME MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner Occupied Housing Units</b>	<b>HMDA Aggregate % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
Moderate						
2023	17.7	19.0	1	10.0	1,350	21.2
2024	17.7	17.0	2	40.0	603	39.9
Middle						
2023	59.9	63.3	6	60.0	3,832	60.1
2024	59.9	63.6	3	60.0	910	60.2
Upper						
2023	22.4	17.6	3	30.0	1,194	18.7
2024	22.4	19.4	0	0.0	0	0.0
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>6,376</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>1,513</b>	<b>100.0</b>
<i>Source: 2020 Census; Imported Bank Data; 2023 and 2024 HMDA Aggregate Data</i> <i>Due to rounding, totals may not equal 100.0%.</i>						

### ***Small Business Lending***

Small business lending reflects excellent penetration throughout the assessment area. In 2023, the bank's performance exceeded aggregate and demographics. In 2024, MSB's lending in moderate-income tracts doubled, significantly exceeding demographics.

Geographic Distribution of Small Business Loans Assessment Area: Portland-South Portland, ME MSA						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
Moderate						
2023	21.8	26.8	4	33.3	615	27.0
2024	19.0	--	8	66.7	2,182	95.4
Middle						
2023	68.7	60.9	8	66.7	1,664	73.0
2024	71.7	--	3	25.0	100	4.4
Upper						
2023	9.6	12.2	0	0.0	0	0.0
2024	9.3	--	1	8.3	5	0.2
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>2,279</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>12</b>	<b>100.0</b>	<b>2,287</b>	<b>100.0</b>
Source: 2023 and 2024 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### **Borrower Profile**

The distribution of borrowers reflects adequate penetration among individuals of different incomes and businesses of different sizes in the Portland-South Portland, ME MSA assessment area. The bank's adequate small business lending performance primarily supports this conclusion.

### ***Home Mortgage Lending***

The borrower profile reflects poor penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2023 and 2024, MSB did not originate any loans to low-income borrowers in the Portland-South Portland, ME MSA assessment area.

In 2023, MSB did not originate any loans to moderate-income borrowers. In 2024, MSB's performance of lending to moderate-income borrowers exceeded aggregate and demographics in the assessment area. However, the limited number of originations does not allow for a meaningful comparison.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Portland-South Portland, ME MSA						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	21.9	5.5	0	0.0	0	0.0
2024	21.9	4.7	0	0.0	0	0.0
Moderate						
2023	17.6	15.0	0	0.0	0	0.0
2024	17.6	13.9	1	20.0	210	13.9
Middle						
2023	21.5	22.2	2	20.0	341	5.4
2024	21.5	20.4	0	0.0	0	0.0
Upper						
2023	39.0	47.1	4	40.0	1,465	23.0
2024	39.0	47.4	1	20.0	300	19.8
NA						
2023	0.0	10.3	4	40.0	4,570	71.7
2024	0.0	13.6	3	60.0	1,003	66.3
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>6,376</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>1,513</b>	<b>100.0</b>
Source: 2020 Census; Imported Bank Data; 2023 and 2024 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.						

### ***Small Business Loans***

The distribution of small business loans reflects adequate penetration of loans to businesses with GARs of \$1.0 million or less. In 2023, the bank's lending performance was below aggregate performance and demographics. In 2024, the number and percentage of originations increased, but performance remained less than demographics.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Portland-South Portland, ME MSA						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	87.5	51.9	2	16.7	67	2.9
2024	88.2	--	5	41.7	435	19.0
> \$1,000,000						
2023	3.9	--	8	66.7	2,201	96.6
2024	3.2	--	3	25.0	1,750	76.5
Revenue Not Available						
2023	8.6	--	2	16.7	11	0.5
2024	8.6	--	4	33.3	102	4.5
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>2,279</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>12</b>	<b>100.0</b>	<b>2,287</b>	<b>100.0</b>
Source: 2023 and 2024 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### **Community Development Loans**

MSB made an adequate level of community development loans in the Portland-South Portland, ME MSA assessment area. The bank originated eight community development loans totaling approximately \$22.4 million. This level of activity is a decrease from the prior evaluation when the bank originated 13 community development loans totaling \$41.2 million. The following table illustrates the bank's community development lending activity by year and purpose.

Community Development Lending Assessment Area: Portland-South Portland, ME MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	0	0	0	0	4	12,285	2	5,757	6	18,042
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	1	4,000	0	0	0	0	1	4,000
2024	0	0	1	393	0	0	0	0	1	393
2025 YTD	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>4,393</b>	<b>4</b>	<b>12,285</b>	<b>2</b>	<b>5,757</b>	<b>8</b>	<b>22,435</b>
Source: Bank Data										

The following are examples of community development loans in the Portland-South Portland, ME MSA assessment area.

- In 2021, the bank originated \$6.4 million SBA 504 loan to a hospitality company to purchase a hotel in a moderate-income census tract. This loan supported economic development in the area by creating permanent jobs for low- and moderate-income individuals.
- In 2024, the bank originated a \$4.0 million working capital line of credit. The borrower is a non-profit organization that provides support services to individuals experiencing home instability, food insecurity, domestic violence, and mental health issues. The majority of the individuals served by this organization are low- and moderate-income.

## **INVESTMENT TEST**

MSB demonstrated good performance under the Investment Test in the Portland-South Portland, ME MSA assessment area. The bank's good performance in the Investment and Grant Activity and excellent performance in the Responsiveness to Credit and Community Development Needs criteria primarily supports this conclusion. The following sections discuss the bank's Investment Test performance under each factor.

### **Investment and Grant Activity**

The bank has a significant level of qualified community development investments. The bank did not make any new equity investments. The bank made 88 qualified donations totaling \$355,127 in the Portland-South Portland, ME MSA assessment area. This level of activity is a significant increase since the prior evaluation, when the bank made 52 qualified investments totaling \$196,343. In addition, the Portland-South Portland, ME MSA assessment area also benefitted from 84 qualified investments totaling approximately \$12.2 million that benefitted a broader regional and statewide area that included this assessment area.<sup>4</sup>

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<sup>4</sup> Table does not reflect these statewide and regional investments.



Qualified Investments										
Assessment Area: Portland-South Portland, ME MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	1	50	9	31	0	0	0	0	10	81
2022	1	5	15	72	4	22	0	0	20	99
2023	1	3	16	25	3	10	0	0	20	38
2024	1	8	20	78	5	8	0	0	26	94
2025 YTD	1	1	9	37	2	5	0	0	12	43
<b>Total</b>	<b>5</b>	<b>67</b>	<b>69</b>	<b>243</b>	<b>14</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>88</b>	<b>355</b>
Source: Bank Data										

The following are examples of qualified donations in the Portland-South Portland, ME MSA assessment area.

- ***Avesta Housing Development Corporation (Avesta Housing)*** – Avesta Housing is a non-profit affordable housing developer, manager and operator. Its projects provide affordable housing and support services to low- and moderate-income individuals in the Portland area. MSB made multiple donations to this organization during the evaluation period.
- ***Big Brothers Big Sisters of Southern Maine*** – Big Brothers Big Sisters of Southern Maine provides one-to-one mentoring to youth to help them reach their aspirations, gain confidence, build healthy relationships, avoid risky behaviors, and achieve educational success. The majority of youth benefiting from these mentor relationships are low- and moderate-income. MSB made several donations during the evaluation period.
- ***Service Corp of Retired Executives (SCORE)*** – SCORE is a non-profit organization dedicated to helping small businesses launch, grow, and achieve their goals through education and mentorships. SCORE offers free mentoring and free or low-cost workshops to business owners to promote business development. MSB made several donations during the evaluation period.

### **Responsiveness to Credit and Community Development Needs**

MSB exhibits good responsiveness to credit and community development needs of the Portland-South Portland, ME MSA. MSB focused a majority (87.3 percent) of its donations to affordable housing and community services. The bank's donations also supported economic development, which is also a significant need in this assessment area. It also should be noted that many of the statewide investments (which benefit Portland) had a significant focus on affordable housing, which was identified as a critical need.

## **Community Development Initiatives**

The bank uses innovative and/or complex investments to support community development initiatives. For additional information, refer to the Investment Test section for the combined assessment area.

## **SERVICE TEST**

MSB demonstrated adequate performance under the Service Test within the Portland-South Portland, ME MSA assessment area. The bank's adequate performance in the Community Development Services criteria primarily supports this conclusion. The following sections discuss the bank's performance under each criterion.

## **Accessibility of Delivery Systems**

Delivery systems are accessible to essentially all portions of the Portland-South Portland, ME MSA assessment area. The bank operates 1, or 6.2 percent of its branches, and 1, or 5.9 percent of its ATMs in this assessment area. The following table shows the branch and ATM distribution by census tract income level in the Portland -South Portland, ME MSA assessment area, along with the population distribution by census tract income level.

<b>Branch and ATM Distribution by Geography Income Level</b>								
<b>Assessment Area: Portland-South Portland, ME MSA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	7	25.9	23,658	24.9	0	0.0	0	0.0
Middle	16	59.3	53,186	55.9	1	100.0	1	100.0
Upper	4	14.8	18,296	19.2	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>27</b>	<b>100.0</b>	<b>95,140</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<i>Source: 2020 Census Data; Bank Data</i>								

The branch which is located in a middle-income census tract is in close proximity (0.3 to 1.5 miles) to four moderate-income census tracts in the area, making it accessible to low- and moderate-income individuals and small businesses in those geographies. Branch distribution and alternative delivery systems are consistent with performance at the overall institution level.

## **Changes in Branch Locations**

The bank did not open or close any branches in this assessment area since the prior evaluation.

## **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, particularly moderate-income geographies or low- and moderate-income individuals. Branch hours are generally consistent with the overall institution. Branch hours at this branch are 9:00 A.M. to 4:00 P.M. Monday – Thursday and 9:00 A.M. to 5:00 P.M. on Friday.

## **Community Development Services**

MSB provides an adequate level of community development services. The bank provided approximately 190 hours of financial or technical assistance to seven different community development-related organizations in the Portland-South Portland, ME MSA. This level of activity is an increase since the prior evaluation when the bank provided 103 hours of service. The majority of activity supported community services for low- and moderate-income individuals, which was identified as primary community development need in the area. The following table illustrates the bank's community development service activity by year and purpose.

<b>Community Development Services</b>					
<b>Assessment Area: Portland-South Portland, ME MSA</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2021 (Partial)	0	17	0	0	<b>17</b>
2022	0	0	0	0	<b>0</b>
2023	0	16	0	0	<b>16</b>
2024	0	37	0	0	<b>37</b>
YTD 2025	0	117	3	0	<b>120</b>
<b>Total</b>	<b>0</b>	<b>187</b>	<b>3</b>	<b>0</b>	<b>190</b>
<i>Source: Bank Data</i>					

The following are examples of community development services benefitting the Portland-South Portland, ME MSA assessment area.

- ***United Way of Southern Maine (UWSM)*** – CASH Greater Portland is an initiative of UWSM that provides free tax preparation services for low- and moderate-income individuals. A Branch Manager volunteered as a tax preparer for this organization.
- ***Junior Achievement of Maine*** – Junior Achievement is a national non-profit providing financial literacy programs to students in Grades K-12. Their program covers entrepreneurship, work readiness, and financial literacy. A Vice President served on the organization's Board.
- ***Service Corp of Retired Executives (SCORE)*** – SCORE is a non-profit organization dedicated to helping small businesses launch, grow, and achieve their goals through

education and mentorships. SCORE offers free mentoring and free or low-cost workshops to business owners to promote business development. A senior vice president provide tax seminars to small businesses.

## **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

Machias Savings Bank	
<b>Scope of Examination:</b> Full scope reviews were performed on the following assessment areas within the noted rated areas: <ul style="list-style-type: none"> <li>• Non-MSA, ME Assessment Area</li> <li>• Bangor, ME MSA Assessment Area</li> <li>• Portland-South Portland, ME MSA Assessment Area</li> </ul>	
<b>Time Period Reviewed:</b>	09/20/2021 to 09/08/2025
<b>Products Reviewed:</b> Home Mortgage Loans: 01/01/2022 – 12/31/2024 Small Business Loans: 01/01/2022 – 12/31/2024 Small Farm Loans: 01/01/2022 – 12/31/2024	

List of Assessment Areas and Type of Evaluation			
Rated Area/ Assessment Area	Type of Evaluation	Branches Visited	Other Information
Non-MSA, ME	Full scope	None	None
Bangor, ME MSA	Full scope	None	None
Portland-South Portland, ME MSA	Full scope	None	None

## 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 non-profit) 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 (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of 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 (e.g., 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.