

**CPP ANNUAL USE OF CAPITAL SURVEY - 2012**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

The First, N.A.

Person to be contacted regarding this report:	Deborah Wallace	RSSD: (For Bank Holding Companies)	1133932
UST Sequence Number:	186	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	25,000,000	FDIC Certificate Number: (For Depository Institutions)	04256
CPP/CDCI Funds Repaid to Date:	12,500,000	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Jan 9, 2009	City:	Damariscotta
Date Repaid <sup>1</sup> :	Aug 24, 2011	State:	Maine

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	While loan demand in our market area has been limited since 2009 due to overall weak economic conditions, maintaining higher capital ratios has enabled us to work with struggling borrowers and provide additional time to work though difficult credits.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	On-balance-sheet residential mortgages increased \$38.2 million or 11.2% between December 31, 2011 and December 31, 2012.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Investment securities increased \$25.1 million or 5.9% between December 31, 2011 and December 31, 2012. This growth was in securities issued by GSEs or state and municipal subdivisions.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	In October 2012, we purchased an operating banks branch in Rockland, Maine, with \$32.2 million in deposits and an existing bank building in Bangor, Maine, where will will open a de-novo branch in February 2013.
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The Bank's total risk-based capital stood 15.66% at year end. During our annual exam in the fourth quarter of 2012, the OCC was comfortable with the Bank's capital levels. Without the CPP funds, our total risk-based capital would have been below 14.00%, a level which may well have resulted in a different posture from the OCC.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Growing the balance sheet through the residential loans and municipal and GSE securities (which support overall economic growth in the United States) would not have happened in 2012 without the higher capital levels that the CPP funding provided.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

None

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.