

Growing. Stronger.



MAINE COMMUNITY
BANCORP

2016 | ANNUAL REPORT



OUR VISION STATEMENT

To be the “bank of choice” that deepens relationships with our customers, employees and communities.



A scenic landscape featuring a large body of water in the foreground, reflecting the sky and the surrounding mountains. The mountains are covered in dense forest with some autumn-colored trees. The sky is a mix of blue and white clouds, suggesting a clear day with some light clouds.

“One of the greatest and simplest tools for learning more and *growing* is doing more.”

—WASHINGTON IRVING

**A MESSAGE FROM OUR
CHAIRMEN & PRESIDENTS**

What a year 2016 was! On January 26, we finalized the formation of Maine Community Bancorp (MCB), an Alliance between Biddeford Savings Bank and Mechanics Savings Bank. Since that date, we have focused on our most important mission; continuing to serve our customers and communities. At the same time, we have worked diligently on bringing the two banks together. We are pleased to report that both efforts are going well.

In 2016, we added new customers and our deposits grew 9%, from \$557 million to \$609 million. Total loans grew 6%, from \$687 million to \$709 million, as we were able to put those new deposits to work in our communities. That means we are now supporting more small businesses and helping more customers become homeowners. We expanded our Annual Customer Survey to include customers of both banks. It was the first time the survey was sent to the customers of Mechanics Savings Bank and the seventh year for Biddeford Savings' customers. Once again, we are honored that our customers appreciate our staff and the service they provide. In addition, our employees remain active in serving our communities as they provided 6,770 hours of volunteer service during the year. In addition, we have donated over \$200,000 to local agencies working to make our communities stronger. None of this would have happened without the great work of our staff, which we appreciate.


There are many steps to bringing the two banks together within the holding company, MCB. Developing common policies and procedures takes a great deal of thought and time. We are pleased by the progress we made in 2016 and look forward to continuing those efforts over the coming

years. One of the motivating factors for the Alliance was our belief that together we would be able to better serve our customers and improve our profitability. To date, we have found a number of opportunities to work together to more fully serve some of our larger customers through the sharing of loans. We expect this will continue to benefit both customers and the banks going forward. We have honored our pledge that there would be no layoffs as a result of the Alliance. Just the same, we have realized cost savings through negotiating more favorable contracts with key vendors. The savings are important since the only way we can increase our capital base is through earnings. MCB's net income for 2016 was \$5.96 million, an increase of 15% when compared to the \$5.2 million the two banks earned in 2015. Our capital grew 8%, up from \$82 million to \$88.7 million. Increasing our capital base is important as that is what allows us to grow—serving more customers along the way.

Looking ahead to 2017, we remain focused on serving our customers and communities. We will also continue our work to bring the practices of the two banks into alignment. That work is guided by what is best for our customers and communities. It has been most gratifying to see that our two banks truly are Growing Stronger Together. Thank you for your support.




Charles M. Petersen
Co-President & Co-CEO



Thomas E. Wells
Chairman of the Board



Richard J. Vail
Co-President & Co-CEO



Jon S. Oxman
Vice Chairman of the Board



***“We are stronger together,
than we are alone.”***

–WALTER PAYTON





**“Growth is never by mere chance,
it is the result of forces working *together*.”**

–JAMES CASH PENNEY

FINANCIAL STATEMENTS
Maine Community Bancorp



STATEMENT OF CONDITION

Assets

			Adjustments	
Cash and cash equivalents	\$7,424,000	\$6,890,000	\$0	\$14,314,000
Investment securities	\$40,353,000	\$37,422,000	\$4,000	\$77,779,000
Loans	\$387,067,000	\$327,289,000	\$(1,430,000)	\$712,926,000
Reserve for loan losses	\$(1,728,000)	\$(3,577,000)	\$1,386,000	\$(3,919,000)
Net Loans	\$385,339,000	\$323,712,000	\$(44,000)	\$709,007,000
Premises and equipment	\$9,802,000	\$9,407,000	\$(1,667,000)	\$17,542,000
Bank Owned Life Insurance	\$2,361,000	\$0	\$0	\$2,361,000
Other assets	\$3,487,000	\$4,760,000	\$3,117,000	\$11,364,000
TOTAL ASSETS	\$448,766,000	\$382,191,000	\$1,410,000	\$832,367,000

Liabilities and Capital

Non-interest bearing deposits	\$31,818,000	\$38,887,000	\$(98,000)	\$70,607,000
Interest bearing deposits	\$307,485,000	\$230,192,000	\$198,000	\$537,875,000
Total deposits	\$339,303,000	\$269,079,000	\$100,000	\$608,482,000
Customer repurchase agreements	\$0	\$4,287,000	\$0	\$4,287,000
FHLB borrowings	\$62,853,000	\$60,114,000	\$63,000	\$123,030,000
Other liabilities	\$4,124,000	\$3,772,000	\$(29,000)	\$7,867,000
TOTAL LIABILITIES	\$406,280,000	\$337,252,000	\$134,000	\$743,666,000
Undivided profits	\$43,318,000	\$46,641,000	\$(29,000)	\$89,930,000
Accumulated other comprehensive loss	\$(832,000)	\$(1,702,000)	\$1,305,000	\$(1,229,000)
TOTAL CAPITAL	\$42,486,000	\$44,939,000	\$1,276,000	\$88,701,000
	\$448,766,000	\$382,191,000	\$1,410,000	\$832,367,000

INCOME STATEMENT

Interest and dividend income	\$16,714,000	\$16,350,000	\$623,000	\$33,687,000
Interest expense	\$2,680,000	\$2,407,000	\$(872,000)	\$4,215,000
Net interest income	\$14,034,000	\$13,943,000	\$1,495,000	\$29,472,000
Provision for loan losses	\$218,000	\$(150,000)	0	\$68,000
Net interest income after provision for loan losses	\$13,816,000	\$14,093,000	\$1,495,000	\$29,404,000
Operating income	\$1,455,000	\$988,000	\$538,000	\$2,981,000
Operating expenses	\$11,456,000	\$10,776,000	\$1,473,000	\$23,705,000
Income before income taxes	\$3,815,000	\$4,305,000	\$560,000	\$8,680,000
Income taxes	\$1,048,000	\$1,487,000	\$190,000	\$2,725,000
NET INCOME	\$2,767,000	\$2,818,000	\$370,000	\$5,955,000

CHAIRMAN OF THE BOARD

Thomas E. Wells

VICE CHAIRMAN OF THE BOARD

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Charles M. Petersen

Wayne A. Sherman

Edward Snook

Richard J. Vail

Jeffrey S. Worthing, CPA

CO-PRESIDENTS & CO-CEOS

Charles M. Petersen

Richard J. Vail

EXECUTIVE MANAGEMENT TEAM

Carri L. Brown, CPA

Dale E. Huot

Thomas A. MacDonald

Charles M. Petersen

Richard L. Roy

Jay D. St. John

Richard J. Vail

A photograph of a dirt road winding through a forest in autumn. The road is covered with fallen leaves and is bordered on the right by a rustic wooden fence. The trees are in various stages of fall, with some showing vibrant yellow and orange leaves, while others are bare. The sky is visible through the canopy, showing a clear blue color.

DIRECTORS & EXECUTIVE MANAGEMENT
Maine Community Bancorp

MAINE COMMUNITY

===== BANCORP =====

