

A Message from the President

Good afternoon and welcome to the 2015 Annual Meeting of the Bar Harbor Savings and Loan Association. It is a pleasure to announce another successful year with record earnings, loans and total assets. We accomplished a

number of things this past year including the completion of the building renovations in the basement with a shower and locker area for employees as well as new office space for visiting examiners and consultants. A generator system was installed in the outside alley to provide power during blackouts for the bank and to our good neighbor, West End Drug Store.



There were three promotions in 2014. Vicky Vendrell was promoted to Senior Vice President, Nancy Sawyer was promoted to Vice President, and Michael Bailey was promoted to Assistant Vice President.

The mortgage department welcomed Rhonda Sawyer as Mortgage Loan Specialist. She has already proven to be valuable, with almost 30 years of experience in all aspects of residential and commercial underwriting. She also has been assigned origination and closings allowing Sharon Kelley to specialize in quality control and loan documentation. We have cut down the backlog of loan closings and have become more timely in response to customers and realtors.

The bank goals for this year:

1. Increase deposit base in our current local business area and the new market area of the Blue Hill Peninsula
2. Increase our presence for residential mortgages in the Blue Hill Peninsula with real estate brokers and key customer contacts
3. Increase market share in commercial loans in the Bar Harbor area

We would like to bid a fond farewell to Mike Nickerson, our long time bank auditor. Mike and his father have been our auditors for many years, but due to new federal regulations, a change has to be made. Thank you Mike and staff for all of your hard work.

Once again we owe the success of the bank to our employees who work so hard to make us stand out, especially with great customer service. I would like to thank also the Board of Directors for their guidance and support.

Respectfully submitted,

A handwritten signature in blue ink that reads "William R. Weir, Jr.".

William R. Weir, Jr., President & CEO

Officers and Staff

James E. McFarland, *Chairman of the Board*

William R. Weir, Jr., *President, CEO*

Virginia M. Vendrell, *Senior Vice President, Treasurer*

Nancy L. Sawyer, *Vice President, Assistant Treasurer*

Michael A. Bailey, *Assistant Vice President,
Assistant Clerk*

Sharon L. Kelley, *Mortgage Assistant*

Rhonda L. Sawyer, *Mortgage Loan Specialist*

Ardette D. Spear, *Teller*

Ron Wrobel, *Internal Auditor*

Directors

Charles E. Bucklin

Richard V. Collier

Kathleen M. Field

James E. McFarland, *Chairman*

Kenneth J. Salvatore

Robert L. Shaw

Michael R. Swanson

William R. Weir, Jr., *Clerk*

Mission

Bar Harbor Savings and Loan Association's mission is to provide every customer with the best personal service and attentiveness possible. We will provide our customers within our business area with competitive deposit and loan services.

The Association's business area consists of the communities of Mount Desert Island along with the additional towns of Swans Island, Frenchboro, Cranberry Isles, Trenton, Lamoine, Hancock, Sullivan, Franklin, Surry, Ellsworth and the Blue Hill Peninsula towns of Blue Hill, Brooklin, Brooksville, Castine, Penobscot and Sedgwick.

Our mission is to provide mortgage loans primarily to individuals seeking to purchase, build or refinance their homes while giving a competitive rate of return for all funds deposited with us and used for this purpose. Our emphasis is on affordable single-family homes.

COVER: Top photo: Courtesy Brooksville Library
Background photo: Courtesy Michael Rindler

103 Main Street, Bar Harbor, Maine 04609
207-288-3685 • 207-288-2287 fax www.bhsla.com



FINANCIAL STATEMENT

December 31, 2014

Up-to-date banking,
old-fashioned
personal service

Bar Harbor
**SAVINGS
& LOAN**
YOUR COMMUNITY BANK SINCE 1902

www.bhsla.com

Member FDIC

The book brigade...



The Jesup Memorial Library annual book sale and fund-raiser is one of many community non-profits that the employees of Bar Harbor Savings and Loan supports. This year they were part of the book brigade, moving thousands of books for the August sale. As volunteers for the Jesup and many other organizations they haul books, golf, pound nails, fight fires, and help keep our island roadsides clean.



Visit our website at www.bhsla.com/volunteers for a complete list.



Rhonda Sawyer

has joined the bank as Mortgage Loan Specialist. Rhonda has over thirty years experience with mortgages and loans, and received her Associate's Degree in Business Administration from Kaplan University. She is also a graduate of the Northern New England School of Banking.

Rhonda grew up on Mount Desert Island and has raised her family here.

Statement of Condition

December 31, 2014

Assets

	2014	2013
First Mortgage Loans	\$71,311,069	\$61,034,990
Share Loans to Members secured by members' own accounts	192,580	91,071
Federal Home Loan Bank Stock	500,000	500,000
U.S. Government and Agency Securities	81,908	84,173
Cash on Hand in Banks	94,293	126,916
Other Investments	14,717,049	18,801,970
Office Building and Land	914,599	894,713
Furniture and Equipment	87,630	78,145
Prepayments	94,802	96,634
Other Assets	<u>239,968</u>	<u>244,066</u>

Total Assets

\$88,233,898

\$81,952,678

Liabilities and Reserves

Shareholders' Savings Accounts entrusted to us by our members	\$74,524,099	\$70,627,563
Borrowed Money	5,862,501	4,541,266
Other Liabilities	88,636	58,017
Guaranty Fund Reserve Accounts	<u>7,758,662</u>	<u>6,725,832</u>

Total Liabilities and Reserves

\$88,233,898

\$81,952,678

Results of Operations

Interest and Dividend Income	\$3,512,349	\$3,179,416
Interest Expense	<u>1,257,450</u>	<u>1,182,151</u>
Net Interest Income	2,254,899	1,997,265
Provision for Loan Losses	60,000	18,000
Non-Interest Income	29,547	19,206
Non-Interest Expense	<u>1,191,899</u>	<u>1,027,559</u>
Income Before Taxes	1,032,547	970,912
Income Taxes	314,500	273,238
Extraordinary Gains (Losses)	<u>0</u>	<u>0</u>

Net Income

\$718,047

\$697,674

Selected Financial Ratios

Return on Average Assets	0.84%	0.89%
Return on Average Equity	9.91%	10.96%