

(Letter from the President, continued)

- Provide an even higher level of customer service, bringing the customer into a personal relationship with the bank to cement their loyalty.
- Work with mortgage holders to help manage debt with a fair return to the Association.
- Push to cross-sell deposit services to mortgage customers and mortgages to deposit customers.
- Continue to work to reduce the cost of funds to fund mortgages, while still giving a reasonable and competitive rate of return to our depositors.

We remain optimistic about the future of the Savings and Loan and the special place it holds in the community. With the hard work of the staff and directors, along with the loyal support of our members, we are certain of our continued growth and prosperity.

Respectfully submitted,



William R. Weir, Jr., President & CEO

## Officers and Staff

**Richard R. Fox**, *Chairman of the Board*

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

**Arthur G. Corliss, Jr.**, *Vice President, Treasurer*

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

**Sharon L. Kelley**, *Mortgage Loan Processor*

**Ardette D. Spear**, *Teller*

## Directors

**Richard V. Collier**

**Richard R. Fox**, *Chairman*

**James E. McFarland**

**Kenneth J. Salvatore**

**Robert L. Shaw**

**Peter W. Smallidge**

**Michael R. Swanson**

**William R. Weir, Jr.**, *Clerk*



*Artist A. Jones, whose work was featured in our ongoing Art on the Wall exhibit, met members and friends at the annual holiday open house.*

103 Main Street, Bar Harbor, Maine 04609  
207 288.3685 • 207 288.2287 fax [www.bhsla.com](http://www.bhsla.com)



## FINANCIAL STATEMENT

December 31, 2008

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



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

103 Main Street, Bar Harbor • 288.3685 • [www.bhsla.com](http://www.bhsla.com) Member FDIC

## Statement of Condition

December 31, 2008

	2007	2008
<b>Assets</b>		
First Mortgage Loans	\$30,369,664.01	\$33,805,828.36
Share Loans to Members secured by members' own accounts	121,750.57	69,236.42
Federal Home Loan Bank Stock	169,500.00	169,500.00
Federal Home Loan Mortgage Corp.	250,210.08	5,361.12
U.S. Government and Agency Securities	0.00	0.00
Cash on Hand in Banks	29,495.76	122,890.18
Other Investments	1,681,248.66	3,949,036.06
Office Building and Land	550,871.98	535,915.98
Furniture and Equipment	14,810.77	16,218.30
Other Assets	174,089.91	98,440.30
<b>Total Assets</b>	<b>\$33,361,641.74</b>	<b>\$38,772,426.72</b>

## Liabilities and Reserves

Shareholders' Savings Accounts entrusted to us by our members	\$27,563,514.90	\$33,744,451.19
Borrowed Money	1,133,567.32	551,151.72
Other Liabilities	159,453.75	70,083.71
Guaranty Fund Reserve Accounts	4,505,105.77	4,406,740.10
<b>Total Liabilities and Reserves</b>	<b>\$33,361,641.74</b>	<b>\$38,772,426.72</b>

## Letter from the President

Our goals for 2008 were met by the expansion of money market checking accounts, instituting Roth IRA accounts and much needed work on the building with a major renovation of the basement, providing space for safe and dry document and supply storage. The rents for the apartments above were increased to reflect a market rental. We will continue to work with an architect to refine the potential of the upper floors as possible commercial rentals. The Savings and Loan was a leader in providing mortgages for the Bar Harbor affordable housing project at Northeast Creek.

It is no secret that our country is in a financial challenge, and as the most competent of national economists are uncertain what to do, we at the Savings and Loan will carry on with business as usual while being mindful of the situation.

We are fortunate to live on Mount Dessert Island. We understand what hard work and perseverance mean, and most of all know how to buckle down and get through a crisis.

Even though some may have extended their credit, they don't give up easily, as seen by the very low foreclosure rate in the Bar Harbor area. We have not yet encountered the severe downward trends seen in other parts of the country, but are unfortunately affected by them, for example, the layoffs at Hinckley and the recent low lobster prices. The local economy appears to be holding, although seasonal. Our customers know that the winter will always be lean and know what needs to be done. However, we are now entering a "winter" season that may last for several years. It will be a challenge for us at the Savings and Loan, but we too will do what needs to be done.

Our goals for weathering this current storm are:

- Stay up-to-date on all economic trends and opportunities.
- Work closely with correspondent agencies, such as the Federal Home Loan Bank and the Federal Reserve System.

(continued on back)