

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
Donald J. Cote
Richard R. Fox, *Chairman*
James E. McFarland
Kenneth J. Salvatore
Robert L. Shaw
Peter W. Smallidge
William R. Weir, Jr., *Clerk*



Customers are like friends and family. Princess, left, visits daily with her master just to say "woof". (And maybe for the dog treat.)

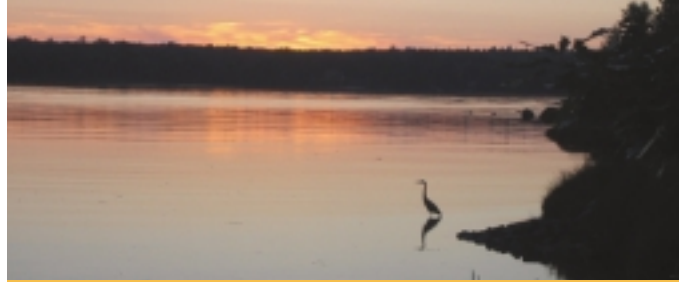
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103 Main Street

Bar Harbor, Maine 04609



FINANCIAL STATEMENT

December 31, 2005

**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 Member FDIC

Statement of Condition

December 31, 2005

	2004	2005
Assets		
First Mortgage Loans	\$23,207,941.01	\$24,328,467.94
Share Loans to Members secured by members' own accounts	100,275.00	133,179.25
Federal Home Loan Bank Stock	158,700.00	158,700.00
Federal Home Loan Mortgage Corp.	541,252.80	479,856.96
U.S. Government and Agency Securities	0.00	0.00
Cash on Hand in Banks	47,688.56	40,699.62
Other Investments	2,042,013.24	2,017,828.69
Office Building and Land	461,407.05	468,209.48
Furniture and Equipment	19,881.85	24,796.30
Other Assets	139,349.57	93,956.01
Total Assets	\$26,718,509.08	\$27,745,694.25
Liabilities and Reserves		
Shareholders' Savings Accounts entrusted to us by our members	\$20,173,480.37	\$21,438,562.57
Borrowed Money	2,017,035.21	1,590,226.48
Other Liabilities	234,057.01	256,158.96
Guaranty Fund Reserve Accounts	4,293,936.49	4,460,746.24
Total Liabilities and Reserves	\$26,718,509.08	\$27,745,694.25

Letter from the President

The Association had another solid year in 2005 with good earnings and moderate asset growth. It was also another year of both challenge and continued growth for your Association. I have focused on the two following areas:

■ **Building renovations** — Besides new offices for Art and me, we have created a new board room, kitchen, handicapped assessable bathroom and ample storage areas for our supplies and equipment.

■ **Strategic planning** — A strategic planning committee was formed by the board of directors this year. Its objective is to plan for future needs and new products and services. This committee is a direct result from the 2004 mailing survey that was reviewed last year.

I would like to sincerely thank former Director Lee Wilbur, who recently resigned from his many years of service to the Association. His friendly advice and expertise was invaluable to me during the last five years.

I would also like to commend the directors, officers and staff of the Association for all their hard work and enthusiasm in 2005. We have a great team here at Bar Harbor Savings and Loan and we will continue to work hard to keep the confidence and trust of our members.

Respectfully submitted,



William R. Weir, Jr., President & CEO