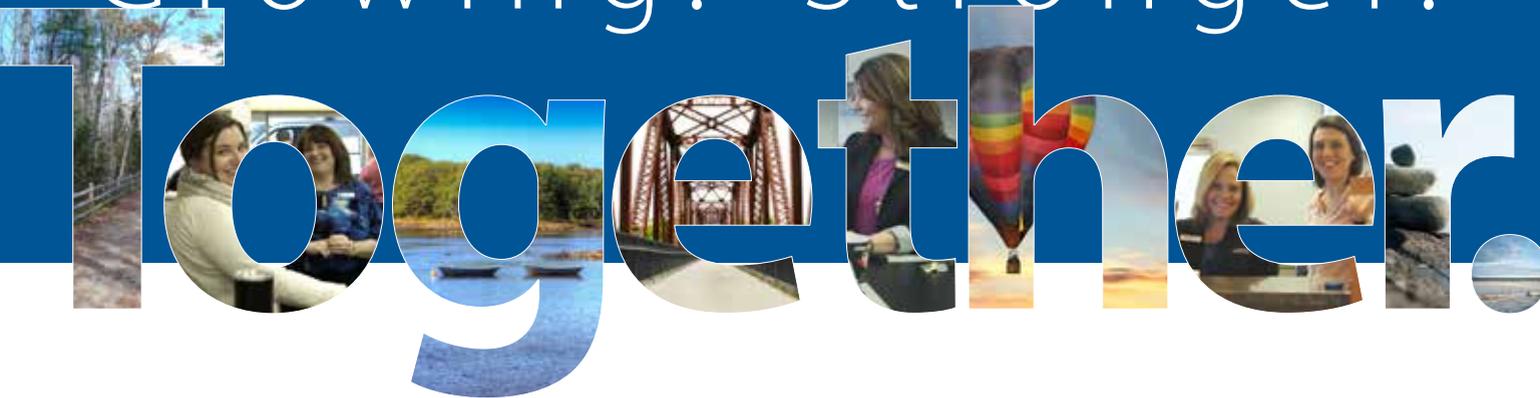
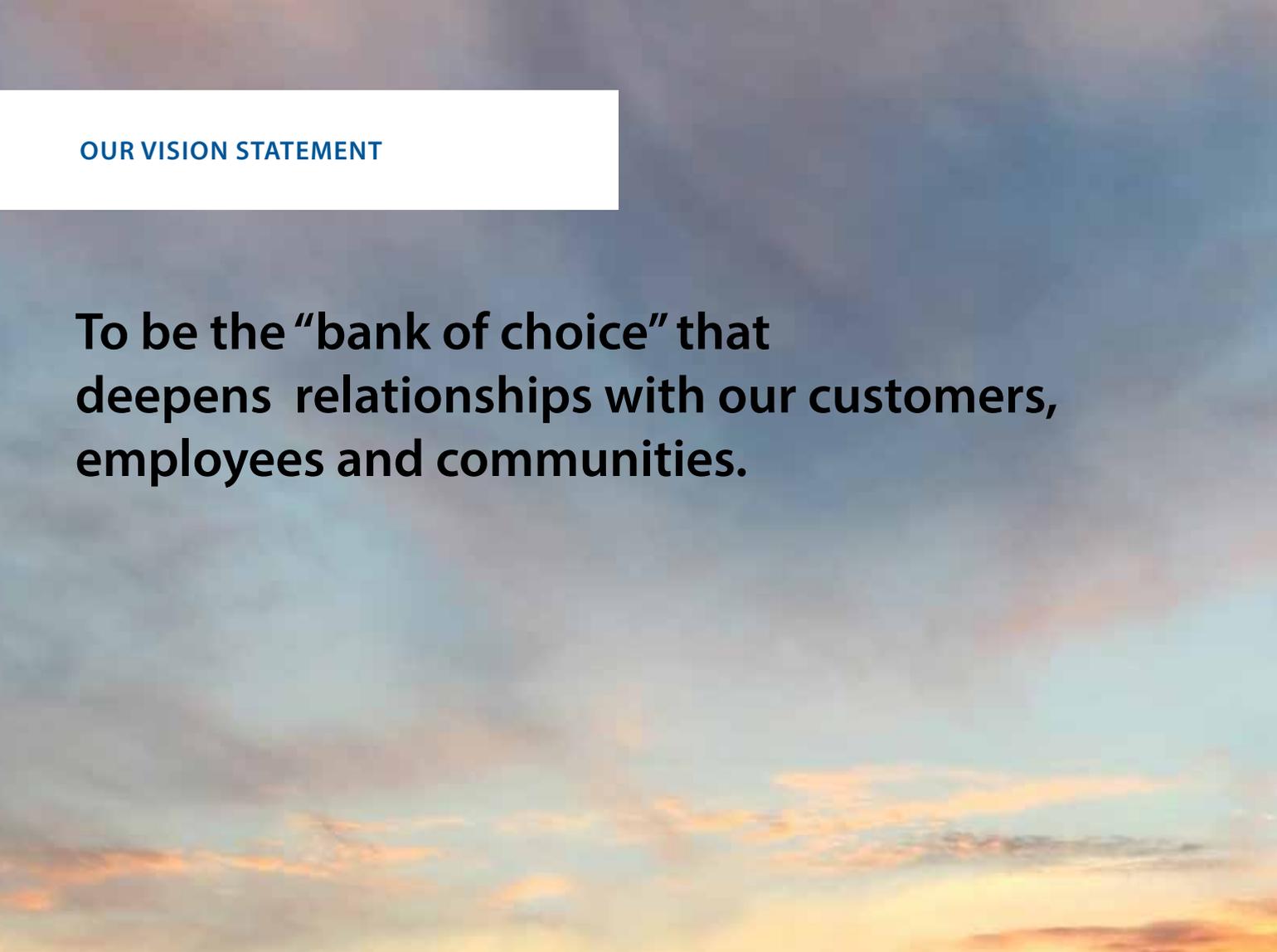


Growing. Stronger.



MAINE COMMUNITY
BANCORP

2016 | ANNUAL REPORT



OUR VISION STATEMENT

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





“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



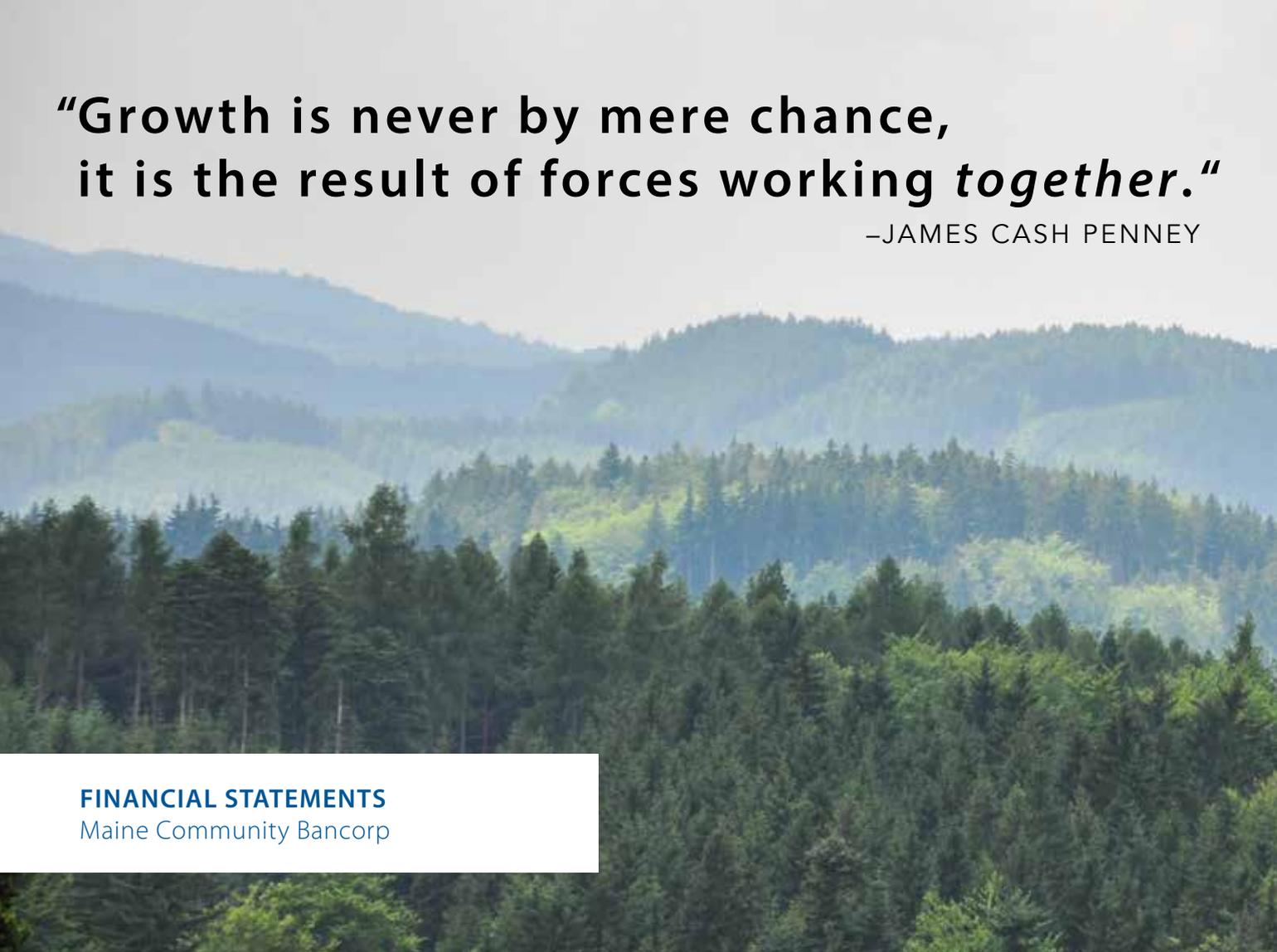
Jon S. Oxman
Vice Chairman of the Board



***“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

Jon S. Oxman

DIRECTORS

Stephen G. Bryant

Peter B. Chapman

Sandra G. Dolby

Carl A. Goodwin

Alan R. Hahnel

Joyce D. Haley

Keith R. Jacques, Esq.

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 wooded area 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 in the distance, showing a clear blue color.

DIRECTORS & EXECUTIVE MANAGEMENT
Maine Community Bancorp

MAINE COMMUNITY

===== BANCORP =====

