





Pictured left to right: Paul Andersen, Lacey Gammon, Melissa Runstrom and Arielle Darling (not pictured) prepare soup for the homeless of Lewiston at St. Mary's Nutrition Center.

## 2017 in Review

# Leading through Change:

## A Letter from the President

2017 was a pivotal year for Androscoggin Bank as we broke with the past in so many ways to secure our future. Leading through change is not always easy, but it has been absolutely worth it. I'm proud to say that we've attracted some of the best talent in Maine, and beyond, to our team. It is a team that is as dedicated as I am to bringing the heart back to banking to make a real difference in the lives of our clients, our employees and our communities. As I reflect on our tenured employees and the new people who have joined us, I feel that we are stronger than ever before.

A bank our size is in the enviable position to be big enough to offer the full range of financial solutions our clients expect, but still nimble enough to move quickly and to treat each client with the special attention they deserve. We've enhanced those capabilities in 2017, by engaging our people, improving our technology and simplifying our processes to remove friction and deliver even greater value to our clients. With this foundational work behind us, 2018 will bring a renewed focus on delivering the personal touch our clients deserve.

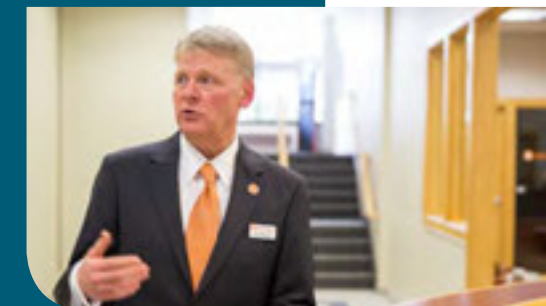
Please read on to find out more, but to put it simply: our people are our strength. They work hard every day for you to exemplify our mission – to enrich the lives of our clients and the communities we serve. It's an exciting time to be part of Androscoggin Bank.

Sincerely,

Paul H. Andersen, President and CEO

*"We empower our employees to provide the best experience for our clients and to support and enrich our communities."*

—Paul H. Andersen,  
President and CEO





## Our Mission

**Androskoggin Bank enriches the lives of our clients, our employees and our communities through trusted relationships.**

### Integrity

As a mutual bank, we have the freedom of making decisions that serve the best interests of our clients, our employees and our communities instead of Wall Street shareholders. Our strategy is simple. We seek to hire and empower the best employees to use this freedom to provide exceptional experience and value for our clients.

### Relationships

### Development

### Empowerment

### Clients

### Community

In 2017, in order to attract and retain great talent and to provide a clear and inspiring framework to guide the way we want to take care of others and operate our business, we made the deliberate decision to reorient and rededicate ourselves to a mission, vision, and values based culture. With a strong values based culture, strategies are guided by a unique identity. This clear focus drives the right decisions, empowering employees to do the right thing as they serve our clients, each other and community members in general.

**The results have been electric.**

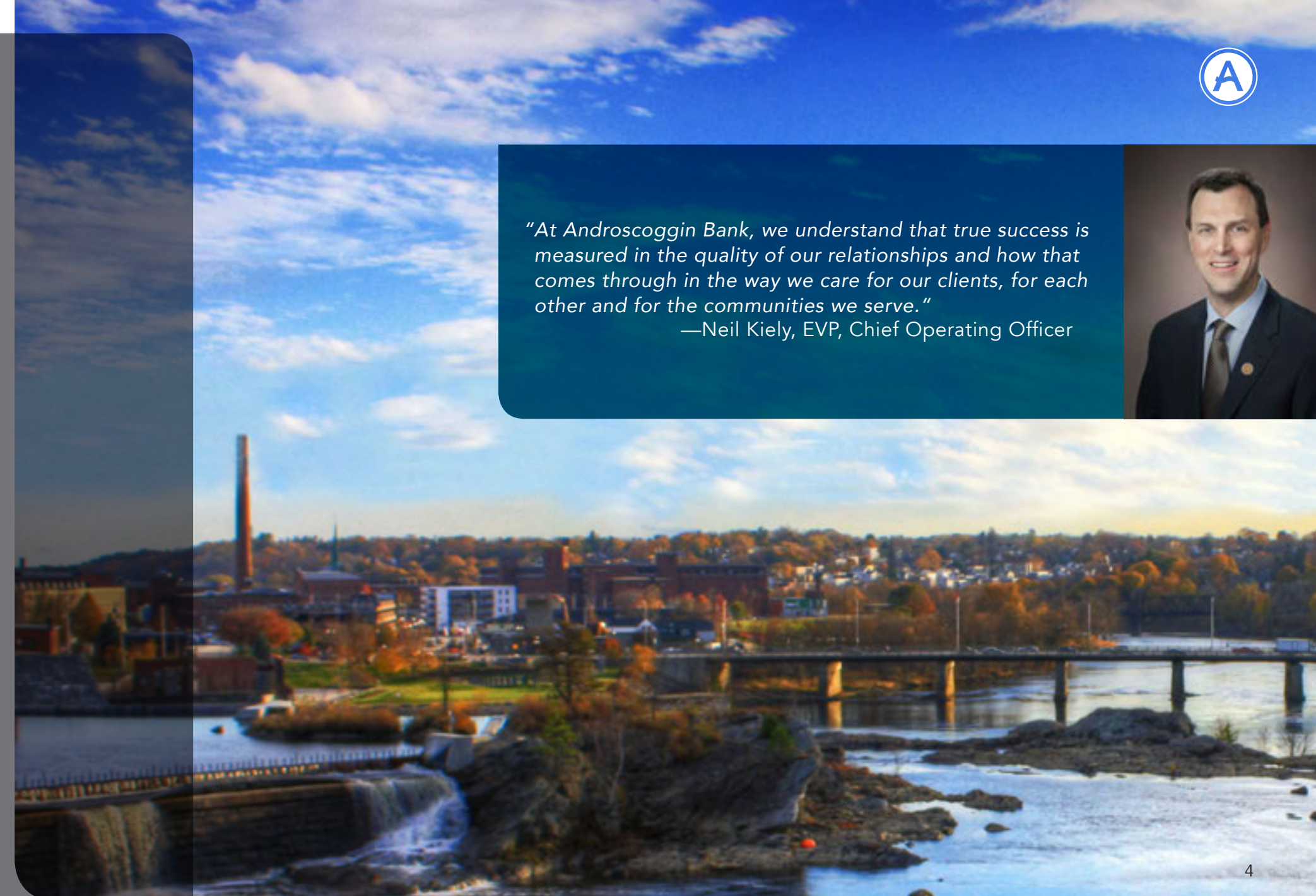
Imagine going to work each day, full of purpose and conviction where you strongly believe in your organization's values and are passionately committed to delivering on its mission. That is how our team feels and we are channeling this energy into everything we do to ensure that we deliver exceptional value and a personal touch to every client, every day.

As a result, we are confident that you will continue to see improvements in the experience you have with us. This includes service tailored to you (online or in person), new solutions, services and technologies that will make your life easier, as well as proactive advice and guidance to help with all your financial needs.

As we look to the future, we are committed, focused, and enthusiastic. We have a clear mission, employees living and exemplifying our values, and a leadership team working daily to identify opportunities to help our clients reach their goals and be part of their defining moments.

*"At Androskoggin Bank, we understand that true success is measured in the quality of our relationships and how that comes through in the way we care for our clients, for each other and for the communities we serve."*

—Neil Kiely, EVP, Chief Operating Officer



## Client Cornerstones

### Delivering Value through Relationships

This year has re-focused our business banking team. We hired great additions with both the experience and the passion to anticipate and recommend solutions for every need a business encounters. Additionally, we worked closely with clients to understand friction points and develop improvements to help ensure we are delivering the best client experience possible. As a result of these efforts, we have happier clients, streamlined processes, and stronger, more beneficial relationships.

### Helping one company protect our coastal heritage.

Recently, Linkel Construction joined Androscoggin Bank as a client. Linkel Construction, Inc. is a year-round construction, hardscape/landscape company in Topsham, Maine. The family-based company installs hardscapes and landscapes throughout mid-coast Maine, with a focus on seawalls, dam removals, and other environmentally-responsible projects.

Over the past few years, powerful storms have severely eroded portions of the Maine coastline endangering homes and threatening our beautiful Maine landscape.

Linkel Construction specializes in restoring and stabilizing these areas by constructing erosion control systems that can resist the power of the sea. In addition to constructing seawalls, they work with several preservation organizations to safely remove dams and construct fish weirs to assist aquatic creatures with returning to their natural habitat. Wherever possible, they use the features of the surrounding land, so that when complete, the area blends with the existing landscape.

*“Our commercial account manager custom designed a portfolio of bank products to meet our long term borrowing needs, plus lines of credit for short term borrowing to support operations and equipment purchases.”*

*Working with our experienced and knowledgeable Androscoggin team gives us the ability and flexibility to quickly and efficiently handle financial issues. The members of our Androscoggin team have significantly reduced the time we spend on banking issues, allowing us to focus on what we do best – protecting Maine’s coastline and restoring the natural flow of water habitat in rivers and lakes.”*  
—Lance Linkel, President of Linkel Construction and Cosmic Stone



*Pictured from left to right: Emelia Linkel, Elias Linkel, Donna Truesdell Linkel and Lance E. Linkel. At Linkel Construction, their goal is to train the next generation to carry on this important work. The family is pictured here in front of their equipment in early spring 2018.*

*Cosmic Stone and Garden Supply is the Linkel’s retail location. Pictured here are Lance Linkel and Androscoggin Bank Commercial Officer Rob Westhoven.*

# Committed to Helping Our Communities Thrive



## Helping At-Risk Youth

**The MainStreet Foundation—nearly 20 years of giving to the neediest Mainers.**

Working with the Bank for nearly 20 years, the MainStreet Foundation is a nonprofit that helps at-risk Maine youth acquire the essentials of life, including food, shelter and basic security. In addition to direct philanthropy, the Bank established the MainStreet Foundation to channel financial support to worthy organizations.

### 25K for Kids Award

This year the Foundation awarded their annual \$25,000 grant to St. Mary's Nutrition Center. The Center supports the Lewiston-Auburn region by placing a value in strengthening community connections, addressing root causes, nurturing a sense of place, and facilitating a deeper commitment to equity across the community. They believe that everyone deserves access to healthy food, as a fundamental right. In today's world, there is a renewed sense of urgency behind how youth are engaged as partners. The Nutrition Center feels a great responsibility to promote youth as leaders both at the Nutrition Center and in the community.

*Kids at St. Mary's Nutrition Center have training opportunities throughout the year. Their unique and powerful voices are heard within their community as they learn to grow, harvest and cook healthy food, all as they acquire the skills and support networks needed to become happy, productive adults.*

## Quarterly Grants

**In 2017, the MainStreet Foundation gave nearly \$50,000 in grants to:**

- Camp Ketcha
- Freeport Community Services
- LearningWorks
- Lewiston Middle School
- Maine Academy of Modern Music
- Maine Inside Out
- My Place Teen Center
- Sexual Assault Prevention and Response Services
- Somali Bantu Community Association of Maine
- Susan L. Curtis Charitable Foundation
- The Brunswick Area Teen Center
- The Caleb Group/River Valley Village
- The Cromwell Center for Disabilities Awareness
- The Ecology School
- The Progress Center
- YWCA Central Maine



*Members of the MainStreet Foundation Board, Art Van, and the River Valley Village pose for a check photo after discussing how the funds will be used to support youth development.*



## Greater Giving

We value the communities that we serve.

Bank employees decide how nearly \$20,000 is awarded in grant money each year. This group focuses on organizations that make an impact in the areas of arts, education, and economic development.

### 2017 Grants

- A Company of Girls
- Auburn Public Library
- The Center for Wisdom's Women
- Lewiston Schools
- Wayfinder Schools
- Greater Franklin Development Council
- Portland Education Foundation
- Safe Voices
- The Store Next Door Project

## Giving Back

### Our Collective Charitable Contributions



The Androscoggin Bank 2017 Dempsey Challenge team sports orange and blue for a great cause.



Jeff Smith and Genevieve Hering take time for a selfie during the United Way Day of Caring.

## Mortgage Makers

**We know you have goals. We can help you get there.**

Our employees always have your best interest in heart, whether you are purchasing a home or putting money into a higher yield money market account.

This year we laid the groundwork for a better mortgage experience. Not only did we make our mortgage processing more efficient, but we used employee feedback to remove roadblocks in the system.

Our products are specifically designed to provide creative solutions to unique challenges. Our client-focused approach guides each customer individually through the defining moment of buying their new home with confidence.

**Great employees are the difference. We're in your corner.**

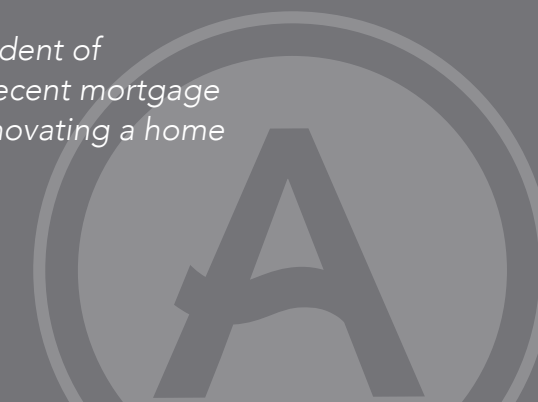
*Keith Canning outside the Core-Mark New England offices.*



*"My wife and I ... wanted to fulfill a dream. It was to buy a home on the coast of Maine, up in Boothbay—a place where we got married... where we visited when we were kids.... It wasn't a short process, and the patience that Scott our mortgage lender showed speaks volumes. He helped us understand what we could afford and understand what was happening in the market and in banking.*

*I can tell you this about Scott Sarapas – if you've got a challenge, and you want help with that challenge – and it involves anything to do with banking or any kind of financial need, you would be well served to have him in your corner I'm very busy in my life – in my work life and personal life – and to have someone take as much interest as Scott did in helping us was critical. The confidence he gave both my wife and I, that we were making the right decision at the right time, is pretty hard to substitute."*

*—Keith Canning, Division President of Core-Mark New England and recent mortgage client. His family is currently renovating a home they purchased in Boothbay.*



# Financial Highlights

## Statement of Condition (unaudited)

December 31, 2017      December 31, 2016

### ASSETS

Cash, Due from Banks and Certificates of Deposit	\$ 18,771,471	\$ 15,069,113
U.S. Governments and Agency Bonds	98,516	98,938
Other Bonds and Mortgage-backed Securities	71,451,390	65,066,458
Equity Securities	1,701,575	2,768,888
Federal Funds Sold and Other Money Market Instruments	3,000,000	20,000,000
Loans:		
Residential Mortgage	207,766,867	205,646,286
Commercial and Small Business	592,141,867	523,582,291
Consumer	20,268,144	22,529,019
Total Loans	\$ 820,176,878	\$ 751,757,596
Less: Allowance for Possible Loan Losses	(8,951,314)	(7,790,397)
Net Loans	\$ 811,225,564	\$ 743,967,199
Bank Premises and Equipment	8,021,138	7,900,607
Other Assets	41,368,075	47,365,718

**Total Assets**      **\$ 955,637,729**      **\$ 902,236,921**

### LIABILITIES

Deposits	\$ 780,332,730	\$ 711,938,190
Brokered Deposits	818,479	3,201,879
Borrowings	48,875,000	65,000,000
Other Liabilities	21,338,633	20,332,605

**Total Liabilities**      **\$ 851,364,842**      **\$ 800,472,674**

### RESERVES

Reserves and Undivided Profits	\$ 108,102,240	\$ 105,325,659
Accumulated other comprehensive income (loss) gain	(3,829,353)	(3,561,412)

**Total Reserves**      **\$ 104,272,887**      **\$ 101,764,247**

**Total Liabilities and Reserves**      **\$ 955,637,729**      **\$ 902,236,921**

## Statement of Earnings (unaudited)

Twelve Months Ended  
December 31, 2017

Twelve Months Ended  
December 31, 2016

### OPERATING INCOME

Interest on Loans	\$ 33,602,941	\$ 30,560,767
Interest and Dividends on Investments	1,989,225	2,094,295
Total Interest Income	35,592,166	32,655,062
Interest Expense	5,239,227	4,260,681
Net Interest Income	\$ 30,352,939	\$ 28,394,381
Investment Gains	321,713	463,484
Other Operating Income	3,183,705	3,139,534
Total Operating Income	\$ 33,858,357	\$ 31,997,399
Operating Expense	26,616,090	24,379,488
Earnings Before Income Taxes	\$ 7,242,267	\$ 7,617,911
Income Tax Expense <sup>1</sup>	4,465,686	1,853,000
<b>Net Income</b>	<b>\$ 2,776,581</b>	<b>\$ 5,764,911</b>
<b>Pro-forma Net Income - before one-time income tax adjustment</b>	<b>\$ 5,424,267</b>	<b>\$ 5,764,911</b>

(1) As a result of the 2017 Tax Cuts and Jobs Act and the revaluation of deferred tax assets that was required at December 31, 2017, the Bank recognized a one-time, nonrecurring income tax expense adjustment of \$2,647,686 in 2017.

This statement has not been reviewed, or confirmed for accuracy or relevance, by the Federal Deposit Insurance Corporation.





## Bank Officers

**Paul Andersen**  
President and CEO

**Benjamin Geci**  
Executive Vice President

**Neil Kiely**  
Executive Vice President

**Jeff Smith**  
Executive Vice President

**Ross Bartlett**  
Senior Vice President

**Julie Buffington**  
Senior Vice President

**James Kacer**  
Senior Vice President

**Michelle Love**  
Senior Vice President

**Robin Robbins**  
Senior Vice President

**Jennifer Seekins**  
Senior Vice President

**Maureen Van Uden**  
Senior Vice President

**Jennifer Arnold**  
Vice President

**Gerald Augello**  
Vice President

**Michele Bedigan**  
Vice President

**Ann Burrill**  
Vice President

**Stephen Clauson**  
Vice President

**Melissa Couture**  
Vice President

**Gregory Dauphinee**  
Vice President

**Steven Davis**  
Vice President

**Christopher DeMerchant**  
Vice President

**Kelly Dorsey**  
Vice President

**Deborah Dunlap Avasthi**  
Vice President

**Steven English**  
Vice President

**Steve Etzel**  
Vice President

**Beverly Frizzell-MacCallum**  
Vice President

**Patricia Gilbert**  
Vice President

**Lena Hann**  
Vice President

**Eric Hansen**  
Vice President

**Torri-Jean Jones**  
Vice President

**Melissa Knutson**  
Vice President

**Carrie Lacasse**  
Vice President

**Alicia Miller**  
Vice President

**Bruce Miller**  
Vice President

**Mary Miller**  
Vice President

**Valerie Moody**  
Vice President

**Rachel Ouellette**  
Vice President

**Brenda Paradis**  
Vice President

**Patricia Rumsey**  
Vice President

**Scott Sarapas**  
Vice President

**Jason Simcock**  
Vice President

**John Simko**  
Vice President

**Richard Szabo**  
Vice President

**Robert Westhoven**  
Vice President

**Dawn Youland**  
Vice President

**Katie Beatty**  
Assistant Vice President

**Carly Beaudin**  
Assistant Vice President

**Amy Bergen**  
Assistant Vice President

**Lisa Bilodeau**  
Assistant Vice President

**Regina Booth**  
Assistant Vice President

**Jason Chadbourne**  
Assistant Vice President

**Melodie Cyr**  
Assistant Vice President

**Melissa Farinas**  
Assistant Vice President

**Jenny Flagg**  
Assistant Vice President

**Colleen Fournier**  
Assistant Vice President

**Genevieve Hering**  
Assistant Vice President

**Tracy Jarvis**  
Assistant Vice President

**Andrea Karkos Wade**  
Assistant Vice President

**Ryan Landry**  
Assistant Vice President

**Ruth Martin**  
Assistant Vice President

**Lucille McIntyre**  
Assistant Vice President

**Mary Michaud**  
Assistant Vice President

**Raymond Michaud**  
Assistant Vice President

**Donna L Miller**  
Assistant Vice President

**Zachary Ovington**  
Assistant Vice President

**Lise Patterson**  
Assistant Vice President

**Jennifer Piper**  
Assistant Vice President

**Debbie Poliquin**  
Assistant Vice President

**Melissa Runstrom**  
Assistant Vice President

**Karen Shaw**  
Assistant Vice President

**Derek Simkowitz**  
Assistant Vice President

**David Smirles**  
Assistant Vice President

**Susan Stacey**  
Assistant Vice President

**Denise Tabet**  
Assistant Vice President

**Chris Teague**  
Assistant Vice President

**Amy Torrey**  
Assistant Vice President

**Darren Williams**  
Assistant Vice President

## Bank Corporators

Ronald Barriault

Michael Barriault

Normand Bilodeau

Clint Boothby

Keith Canning

Daniel Catlin

Steven Closson

Edward Cormier

Conrad Davis

Tony Doyon

John Doyon

Barbara Fogarty

George Gendron

Ira Goodwin, Jr.

Dermot Healey\*

James Howard

David Jean

Peter Klein

Peter Ladner\*

Dennis Lajoie

John Larson

Mary Allen Lindemann

James Lynch

David Maxsimic

Diana McLaughlin

Jay Menario

William Morrell

Charles Morrison

James Murphy

Steven Normand

Mike Ouellet

Jules Patry

James Platz

Bradley Pollard

Norman Rattey, Esq.

Daniel Roux

Zachary Sclar

Drew Sigfridson

Tim Soley

Alan Spear

Norman St. Pierre

Tabitha Swanson

Drew Swenson

Matthew Tassej

Jeff Timberlake

Stephanie Upton

Gilles Veilleux

Jean Wilson

Edward Wolak

\*denotes honorary corporator



# 2017 Employee Awards

*Our people make the difference.*



## 2017 Employee of the Year

**Mary Michaud**  
Finance Department

Mary is one of the many unsung heroes who work in the back office providing crucial support and information for key projects and initiatives. Mary joined the finance team in 2015 as a Financial Analyst and was recently promoted to Assistant Vice President.



## 2017 Officer of the Year

**Ann Burrill**  
Learning & Development

Ann joined the bank in 2016 and was quickly promoted to Manager of Learning and Development and recently promoted to Vice President. Ann's work has touched many employees and helped them navigate change and increase engagement. With her work, she develops and empowers all of us here at the bank.



## Commitment to Community Award

**Robin Robbins**

Robin has been with the bank for 17 years and is Treasurer and Senior Vice President. Robin is a longtime volunteer leader for the Lewiston Auburn Metropolitan Chamber of Commerce. This past year Robin served as the Chair and host of the annual dinner. She is also a longtime volunteer for New Beginnings and received the New Beginnings Annual Service Award at their annual celebration dinner last year. We thank Robin for being such a great bank ambassador and helping the people in our communities thrive.



## Client Award

**Kim Gaudette**

Kim is a Senior Client Service Representative at our Cooks Corner Branch and will celebrate her 10th anniversary this May.



## People Award

**Stevie Field**

Stevie is a Deposit Services Representative and has been with the Bank for the past four years.



## Performance Award

**Debbie Poliquin**

Debbie recently celebrated her 20th anniversary with the Bank. She is currently a Senior Staff Accountant and Assistant Vice President.



## Quality Award

**Brenda Paradis**

Brenda joined the bank in 2016 as our Information Security Officer and Vice President and has quickly become a trusted resource throughout the Bank on all things cyber security.



## Innovation Award

**Donna Gardner**

Donna re-joined the Bank this past year in our Loan Operations area and was recently promoted to Loan Operations Analyst.



*Our employees celebrate their 2017 accomplishments together.*



## Androscoggin Bank Board of Directors

Pasquale Maiorino, Esq., Chairman

Paul H. Andersen

Wendy I. Bean

Steven E. Bonville

Steven A. Closson

Ira L. Goodwin, Jr.

Jean E. Mattimore

Michel M. Ouellet

Foster A. Stewart Jr., Esq.

### Locations

Auburn  
Brunswick  
Gray  
Jay  
Lewiston  
Lisbon Falls  
Portland  
Scarborough  
South Paris  
Turner

### Headquarters

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 Androscoggin  
Bank

Member  
FDIC