

**KATAHDIN BANKSHARES CORPORATION**

	CPP Disbursement Date 01/30/2009	RSSD (Holding Company) 1140127	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>				
	2008 \$ millions	2009 \$ millions	%chg from prev	
<b>Assets</b>	\$464	\$495	6.7%	
Loans	\$357	\$391	9.4%	
<i>Construction &amp; development</i>	\$10	\$16	64.4%	
<i>Closed-end 1-4 family residential</i>	\$90	\$83	-6.9%	
<i>Home equity</i>	\$16	\$20	24.3%	
<i>Credit card</i>	\$0	\$0		
<i>Other consumer</i>	\$24	\$23	-5.2%	
<i>Commercial &amp; Industrial</i>	\$103	\$93	-10.0%	
<i>Commercial real estate</i>	\$86	\$119	38.6%	
Unused commitments	\$51	\$65	28.0%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$61	\$52	-14.2%	
Asset-backed securities	\$0	\$0		
Other securities	\$10	\$15	43.6%	
Cash & balances due	\$10	\$8	-14.9%	
<b>Residential mortgage originations</b>				
<i>Closed-end mortgage originated for sale (quarter)</i>	\$0	\$0		
<i>Open-end HELOC originated for sale (quarter)</i>	\$0	\$0		
<i>Closed-end mortgage originations sold (quarter)</i>	\$0	\$0		
<i>Open-end HELOC originations sold (quarter)</i>	\$0	\$0		
<b>Liabilities</b>	\$421	\$439	4.3%	
Deposits	\$353	\$389	10.2%	
Total other borrowings	\$65	\$48	-27.0%	
FHLB advances	\$49	\$36	-27.3%	
<b>Equity</b>				
Equity capital at quarter end	\$43	\$56	31.0%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$10	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	7.9%	10.3%	--	
Tier 1 risk based capital ratio	10.5%	12.8%	--	
Total risk based capital ratio	11.7%	14.1%	--	
Return on equity <sup>1</sup>	7.7%	6.9%	--	
Return on assets <sup>1</sup>	0.7%	0.8%	--	
Net interest margin <sup>1</sup>	4.3%	4.4%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	93.2%	58.6%	--	
Loss provision to net charge-offs (qtr)	2137.8%	145.5%	--	
Net charge-offs to average loans and leases <sup>1</sup>	0.0%	0.4%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	2008	2009	2008	2009
<i>Construction &amp; development</i>	16.1%	3.7%	0.0%	2.6%
<i>Closed-end 1-4 family residential</i>	0.0%	0.3%	0.0%	0.0%
<i>Home equity</i>	0.0%	0.0%	0.0%	0.0%
<i>Credit card</i>	0.0%	0.0%	0.0%	0.0%
<i>Other consumer</i>	0.2%	0.2%	0.0%	0.1%
<i>Commercial &amp; Industrial</i>	0.4%	3.8%	0.0%	0.0%
<i>Commercial real estate</i>	3.7%	4.0%	0.0%	0.0%
<i>Total loans</i>	1.5%	2.7%	0.0%	0.1%