Annual Report 2020
Perseverance in the Face of Adversity
Letter from the President

Looking back to January 2020, it is hard to believe how our plans and goals for the year changed as the pandemic hit. I think we can all agree that 2020 will be considered the year of the pandemic. It will also be remembered as the year that our Partners Bank team came together and faced the issues head on. As restrictions and changes were happening, our team rose to the challenge and came up with solutions and protocols to continue to serve our customers safely. Many of these protocols continue to be in place in 2021 and we diligently follow every precaution from wearing masks, social distancing, sanitizing, and whenever deemed necessary, expanding our drive-up services and move to appointment-only banking inside our branches. We knew it wasn’t going to be easy, but the employees here didn’t stop. They adapted on the fly and remained patient when things became difficult.

As 2021 unfolds, we will continue to give back to the community and support our customers as we find ways to get back to a seemingly “normal” way of living. It may take some time before we work through these ongoing challenges, but I firmly believe setting goals for ourselves for the year, no matter how big or small, is a means of finding the positives each day. As for Partners Bank, our goals remain the same. We aim to serve you, our customers, with the highest quality of customer service that you deserve, providing the products and services to better serve your banking needs. We will continue to be The Bank that Listens®.

We also aim to help our communities thrive through our donations and sponsorships to charity and nonprofit programs, as well as economic development projects.

In this annual report, you will learn just how the staff here at Partners Bank adapted to the pandemic, while also seeing the impact we were able to make on the community through many of our sponsorships and donations throughout the year. We also wanted to highlight three of our many wonderful partnerships with local businesses throughout our market area.

I want to extend my best wishes to you all for the coming year and it is my hope that health, safety and happiness are bountiful. Let us all continue to push forward as we work together to find the right solutions that will lead us to a successful and prosperous 2021! We will get there working together!

My sincerest regards,

Blaine A. Boudreau
President & CEO

“As for Partners Bank, our goals remain the same. We aim to serve you, our customers, with the highest quality of customer service that you deserve...”
## 2020 Annual Statement (Unaudited)

### Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Bank Deposits</td>
<td>$4,909,398</td>
<td>$4,702,920</td>
</tr>
<tr>
<td>Short Term Investments</td>
<td>$27,175,677</td>
<td>$32,819,119</td>
</tr>
<tr>
<td>Securities</td>
<td>$53,763,723</td>
<td>$35,373,293</td>
</tr>
<tr>
<td>Other Earning Assets</td>
<td>$14,675,201</td>
<td>$14,164,517</td>
</tr>
<tr>
<td>Loans (Net)</td>
<td>$576,669,481</td>
<td>$515,186,242</td>
</tr>
<tr>
<td>Building Premises</td>
<td>$12,071,064</td>
<td>$11,884,873</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$3,206,470</td>
<td>$3,206,470</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$693,959,019</strong></td>
<td><strong>$617,732,437</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities &amp; Capital</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Deposits</td>
<td>$586,354,245</td>
<td>$483,667,274</td>
</tr>
<tr>
<td>Borrowings</td>
<td>$29,864,382</td>
<td>$50,665,946</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>$1,181,051</td>
<td>$1,257,551</td>
</tr>
<tr>
<td>Capital</td>
<td>$719,595,341</td>
<td>$732,368,667</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Capital</strong></td>
<td><strong>$692,959,019</strong></td>
<td><strong>$617,732,437</strong></td>
</tr>
</tbody>
</table>

### Statement of Earnings

<table>
<thead>
<tr>
<th><strong>2020</strong></th>
<th><strong>2019</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>$2,282,945</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>($3,354,797)</td>
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<tr>
<td><strong>Net Interest Income</strong></td>
<td>($1,071,852)</td>
</tr>
<tr>
<td>Loan Reserve Provision</td>
<td>$24,929,585</td>
</tr>
<tr>
<td>Non-Interest Income</td>
<td>$1,394,493</td>
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<tr>
<td>Operating Expenses</td>
<td>$26,324,078</td>
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<tr>
<td><strong>Net Operating Income</strong></td>
<td>($576,985)</td>
</tr>
<tr>
<td>Security Gains (Loss)</td>
<td>$576,985</td>
</tr>
<tr>
<td>Income Taxes on Operations</td>
<td>($477,980)</td>
</tr>
<tr>
<td><strong>Net Income From Operations</strong></td>
<td>($805,837)</td>
</tr>
<tr>
<td>Income Taxes on Mark-to-Market Adjustment</td>
<td>($805,837)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>($1,611,674)</td>
</tr>
</tbody>
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### Corporators

- Todd Adelman
- Patricia Aprile
- Todd Baker
- Blaine A. Boudreau
- Steven H. Brunette
- Jerome M. Bahra
- David R. Cabana
- Stephen Cabana
- Paul J. Cerrone
- James Carroll
- Anthony J. Cataldi
- Andrea C. Chabot
- Kyle Chandler
- Linwood R. Chase
- Robert R. Clark
- Ronn Polzillo
- Steven Cook
- Linda Dionne
- Joseph Dizaas
- Mary C. Dincolf
- Michele Dubois
- Kevin A. Langla
- Marcel A. Payeur
- Scott C. Shappard
- Ryan Payeur
- Monique Shevlin
- Gary Leech
- William Plante
- Joan E. Plummer
- Steven Poulain
- Jonathan B. Mapes
- Silvia Weiss Perren
- Andrew B. Martyn
- Michael L. Rainan
- Neal B. Melzer
- Robert J. Baken
- William R. Willard
- Jackie Roberts
- Warren G. Roberts
- Raphael Rosen
- Edward J. Trojmb
- Rachel E. Thirberghen
- John W. Roux
- Terry Karron Rowden
- Daniel P. Roy
- Keath R. Patterson
- Joseph Sevigny
- Joanne Payeur
- Kevin Sevigny

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### Part 3 of 3

- **Partners Bank Annual Report**
- Partners Bank Annual Report
- 2020 Annual Statement (Unaudited)
- Balance Sheet
- Statement of Earnings
- Corporators
2020 Highlights

When looking back at the highlights of 2020, it’s easy to look at the pandemic as being the leader of that list; however, how the bank handled the pandemic and the way our employees responded to it is what really tops the list.

For starters, Partners Bank celebrated a milestone, opening our 10th branch location in the Rye, New Hampshire, market. This branch joins our Portsmouth location as part of our New Hampshire family. The community welcomed us warmly into their neighborhood and we hope to continue to make the same type of personal connections that we’ve made in our other market areas, becoming a vibrant part of the community. Even though the pandemic hit a month after our opening, our staff at the Rye branch found ways to adapt, making sure we were there to serve the community despite restrictions in our lobbies and the inability to hold events in the area. Many of our back-office staff moved to working remotely, which comes with a lot of credit to our IT staff to ensure all our employees had the proper equipment and the proper security when working out of their own homes.

One of the largest growth in loans in recent history as the housing market boomed. Our lending staff continued to process applications for new mortgages at a record rate all while adding to the team to assist in that effort, with new mortgage consultants in Alison Fitting who is now based out of our Wells branch and Bryanna Thibault who now serves the greater Buxton area.

Despite the increased expenses the bank incurred due to adjusting to the pandemic, we were pleased to continue giving back to the communities in which we serve, by sponsoring and donating 10% of the bank’s net income to nearly 100 non-profits, charities, and economic development programs. You will read more about those programs later on in this report.

Financial Performance and Growth

2020 has been a journey that is unlike any year in our previous history! There were many challenges associated with the pandemic. Despite the challenges, many new milestones were achieved. Net new loan growth was $62,000,000 and net deposit growth was $103,000,000. The overall balance growth was outstanding. Nearly $275,000,000 in loan activity took place throughout the year which includes the Small Business Administration PPP loan activity and deferrals which were processed to assist our customers in a time of great need.

Throughout the pandemic we were challenged with managing liquidity in a different manner all while we were determining the potential impact to capital if some of our customers remain negatively impacted by COVID-19. Early in the year a decision was made to recognize some industries that were going to be adversely impacted by the pandemic. As a result, a significant portion of the 2020 annual earnings were allocated to the allowance for loan losses. With that, the 2020 net earnings came in at $1,745,000. Margin pressure continues to be a challenge given that rates remain at record lows for both short- and long-term maturities.

Capital remains strong at $76,559,000 and we remain a well-capitalized bank.
Partners Bank has always had a mission to give back to the communities in which we serve and this past year proved it was needed more than ever. Despite the change in programming, we assisted the Ogunquit Playhouse with a $12,500 sponsorship to ensure that they could continue to operate throughout the year with the loss of attendance revenue. We donated $10,000 to the Ogunquit Museum of American Art, helping fund the Light Southerly: Henry Strater in Verde Valley exhibition in memory of Brenda Keene who served as a Senior Vice President of the Bank. We were also proud to support the capital campaign for the Center for Wildlife with a $25,000 sponsorship that will help go towards the Children’s Play Area at the Center’s new location. We remained committed to our long-term agreements with both the Sanford Schools Legacy Foundation and Hospice of Southern Maine, donating another $26,000 and $10,000 respectively to the causes. Furthermore, we increased our scholarship fund to $22,000, assisting students in our market areas with their post-secondary education. Other highlights throughout the year included the continuation of our Employee Donation Program where an employee is selected at random to choose an organization to receive $500 for the respective month. Partners Bank was pleased to contribute another $6,000 to various organizations in 2020. In addition, our donation efforts were accentuated through our Casual for a Cause days. Due to employees working from home and the adjustment of the bank’s schedule, we didn’t have the same number of opportunities as years past, however, employees still came together to raise more than $4,300 for worthy organizations. Partners Bank also chose to make donations to four nonprofits during the holiday season to celebrate our partnerships with our business customers, making donations in their name to the York Community Service Association Food Pantry in York, Maine; York County Food Pantry in Alfred, Maine; Waterboro Food Pantry in Waterboro, Maine; and the Crossroads House in Portsmouth, N.H. Partners Bank also sponsored an exhibition at the Ogunquit Museum of American Art (OMAA) during the museum’s 2020 season. The Bank’s pledge of $10,000 funds the exhibition Light Southerly: Henry Strater in Verde Valley, which was on display from July 1 through October 31, 2020. The exhibition was dedicated in the name of the late Brenda Keene, Senior VP of the Bank, with the exhibit’s signage reading: “Sponsored by Partners Bank in the memory of Brenda Keene.” Pictured in the check presentation left to right are Partners Bank SVP-Branch Administrator, Karyn Morin; Bank President & CEO, Blaine Boudreau; Center for Wildlife resident Barred Owl, Fern; Center Executive Director, Kristen Lamb; and Center Community Engagement Specialist, Sarah Kern. Partners Bank made a five-year pledge of $5,000 per year for a total of $25,000 to the Center for Wildlife’s capital campaign, with naming rights to the Children’s Play Area at the Center. This is all part of a $5.5 million effort by the Center and its new building to expand upon its services, including additional facility space to help meet the ever-increasing needs of conservation medicine and environmental education, as well as a more than 1,200 square-foot education auditorium, nature trails with boardwalks, an outdoor pavilion, intern housing, and so much more. Pictured in the check presentation left to right are Partners Bank SVP-Branch Administrator, Karyn Morin; Bank President & CEO, Blaine Boudreau; Center for Wildlife resident Barred Owl, Fern; Center Executive Director, Kristen Lamb; and Center Community Engagement Specialist, Sarah Kern.
Located in South Sanford, Maine - Crown Fire Door Products is an exciting, newer company offering their own patented, UL approved hardware, designed to fix a compliance issue with commercial fire doors: excessive clearances and gaps. Fire doors are designed to compartmentalize fires, slowing the spread and protecting the building’s structural integrity while also giving building occupants time to escape without harm. Properly working fire doors save lives; having the proper clearances is essential.

As building owners faced a new requirement for annual fire door assembly inspections, the scope of the compliance issue of excessive clearances and gaps was really coming to light, and there was no solution on the market. After some research and development, they applied for patents, and fire-tested the products with UL, so they would be widely accepted for use on commercial fire doors. Now the compliance issue of excessive clearances and gaps had a solution!

After further testing, Crown Fire Door Products had a full line of specialty fire door accessories. Approved by fire marshals everywhere, the accessories are an easy way to bring fire doors back in to compliance. Crown Fire Door Products has been a national leader in helping building owners comply with important life safety codes, selling products in all 50 states and Canada.

“Partners Bank has the right kind of accounts we need for our business and the people couldn’t be better. It’s more about the everyday relationship with Partners Bank. They are really there for us and help us with everything that we need.”

Courtney Noble
Owner
Province Lake Golf

Province Lake Golf is a 103-year-old family of properties in Parsonsfield, Maine. It encompasses an 18-hole championship golf course, a 60-seat bistro-style restaurant, a newly renovated wedding barn, and a venue that hosts dozens of charitable events throughout the year.

Province Lake Golf is the epitome of resilience. In 2018, during a Nor-Easter, they experienced a terrible electrical fire that burned down the entire facility, including the clubhouse, dining, and offices, in a matter of hours. Often, a tragic event like this would be the end. However, the owners decided that this was a very special property and they would do everything in their power to keep Province Lake alive. The team then set off on the journey of rebuilding. Through excellent community support and the hard work and determination of management and staff, Province Lake Golf is still breathing and still wowing their customers.

Not only do they provide dining and entertainment to the community, but they pride themselves on giving back by hosting dozens of charitable events.

Province Lake Golf is widely acknowledged as a premier golf course in Southern Maine. The clubhouse was completely rebuilt and is a multi-level facility with an elevated, wrap-around deck that provides scenic views of Province Lake and the surrounding mountains. The 6,336-yard track brings golfers through a challenging mix of lakeside holes, elevated greens, and thrilling approach shots. Although most of the course is located in Maine, golfers will travel across state lines into New Hampshire while playing several holes!

Edge Lake Farms Weddings & Events

The newly renovated wedding barn offers guests an intimate event setting that mixes a rustic feel and gorgeous scenery. The Province Lake team provides the passion and service that makes your event run flawlessly.

The Carriage House Bistro

The restaurant sits in a rustic carriage house that was built in 1852. They serve casual gourmet, new American food that is made entirely in-house and a full bar with handcrafted cocktails and a wide selection of local craft beers. From delicious appetizers to mouth-watering dinner plates, you won’t leave this hidden-gem hungry.

“We are fortunate that we have a great company like Partners Bank that is only 15 minutes away. They’ve stood with us through the fire, the COVID-19 Pandemic, and PPP loans that have allowed us to continue to grow and continue to build.”

Sabin Beckwith
Director of Hospitality

The Golf Course

The Golf Course

Province Lake Golf

The Carriage House Bistro

Edge Lake Farms Weddings & Events

Province Lake Golf

PARTNERS BANK ANNUAL REPORT
Fortress Network Solutions Inc. is an IT consulting firm that services customers in Maine and throughout the country. Colin McGuire, the founder and CEO, started the company in Portland nearly 20 years ago and is now headquartered in a gorgeous, 19th-century farmhouse turned office in historic West Kennebunk. Having initially studied Jazz in college while working in IT as a hobby on the side, Colin soon found that technology was more of a passion and moved to pursue it full time. Fortress is a full-service IT provider from the most basic, “Hey, my printer isn’t working!” to “How do we move our company to the cloud?”

Fortress excels at tailoring services to fit with in-house IT departments. Specializing in data center work, voice-over IP and network security, Fortress services its clients with over a dozen engineers both here in Maine and throughout the country. They have very low turnover with their employees because of the genuinely family-like atmosphere.

Their target clients are often multigenerational, Maine-based businesses that typically have a direct communication line with the managers or owners. They work with business owners to learn what their technology challenges are and help them improve their all-around IT.

“Partners has been an excellent partner for Fortress for over ten years, starting with our building’s purchase, then we moved all of our day-to-day business banking and lines of credit over. Previously, we had relationships with larger international banks, but we weren’t getting the attention we needed. Partners has gone above and beyond at making themselves accessible and responsive throughout all hours of the day.”

Colin McGuire
Founder and CEO
Who is Partners Bank?

Allow us to introduce ourselves - We are The Bank that Listens. By listening to our customers, we are better aligned to provide more of what our customers want. We’ve heard our customers’ comments and provide enhanced products and services that will help you achieve your financial goals as well as the 24/7 bank access you need. With 10 convenient locations from Southern Maine to Seacoast New Hampshire, there is always a Partners Bank branch ready to serve you.