Board of Governors of the Federal Reserve System RSSD ID 1140127

Parent Company Only Financial Statements for Small Holding Companies—FR Y-9SP

Report at the close of business as of the last calendar day of June and December

This Report is required by law: Section 5(c) of the Bank Holding Company Act (12 U.S.C. § 1844) and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and Section 10 of the Home Owners' Loan Act (12 U.S.C. § 1467a(b)).

This report form is to be filed by the parent company of small holding companies. For purposes of this report, small holding companies are holding companies that have total consolidated assets of less than $1 billion, except holding companies that meet certain criteria to file the Consolidated Financial Statement for Holding Companies (FR Y-9C). When such holding companies are tiered holding companies, separate reports are also to be filed by each of the subsidiary holding companies. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NOTE: *The Parent Company Only Financial Statements for Small Holding Companies must be signed and attested by the Chief Financial Officer (CFO) of the reporting holding company (or by the individual performing this equivalent function).*

Date of Report: **June 30, 2015**
Month / Day / Year (BHSP 9999)

I, the undersigned CFO (or equivalent) of the named holding company, attest that the Parent Company Only Financial Statements for Small Holding Companies for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

MATTHEW M. NIGHTINGALE, SVP, CFO & TREASURER
Printed Name of Chief Financial Officer (or Equivalent) (BHSP C490)

Signature of Chief Financial Officer (or Equivalent)

08/12/2015
Date of Signature (MM/DD/YYYY) (BHSX J196)

KATAHDIN BANKSHARES CORPORATION
Legal Title of Holding Company (TEXT 9010)

11 MAIN STREET
(Mailing Address of the Holding Company) Street / PO Box (TEXT 9110)

PATTEN | ME | 04765
City (TEXT 9130) | State (TEXT 9200) | Zip Code (TEXT 9220)

Holding companies must maintain in their files a manually signed and attested printout of the data submitted.

Person to whom questions about this report should be directed:

JOSEPH M. PORTER, VP, CONTROLLER
Name / Title (BHSX 8901)

207-521-0455
Area Code / Phone Number (BHSX 8902)

207-521-0456
Area Code / FAX Number (BHSX 9116)

J.PORTER@KATAHDINTRUST.COM
E-mail Address of Contact (BHSX 4086)

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RSSD ID _____
C.I. _____ S.F. _____

Public reporting burden for this information collection is estimated to vary from 1.5 to 8 hours per response, with an average of 5.4 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing the burden, may be sent to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0128), Washington, DC 20503.

KATAHDIN BANKSHARES CORPORATION

Name of Holding Company

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RSSD ID
C.I. S.F.

RSSD ID 1140127

The Income Statement is to be reported on a calendar year-to-date basis in thousands of dollars.

Schedule SI—Income Statement

		Dollar Amounts in Thousands	BHSP		
1.	Income from bank subsidiary(ies):				
	a. Dividends	0508	1263	1.a.
	b. Other income	2111	0	1.b.
2.	Income from nonbank subsidiary(ies):				
	a. Dividends	0523	0	2.a.
	b. Other income	0530	0	2.b.
3.	Income from subsidiary holding company(ies):[1]				
	a. Dividends	0206	0	3.a.
	b. Other income	1283	0	3.b.
4.	Other income	0447	13	4.
5.	TOTAL OPERATING INCOME (sum of items 1, 2, 3, and 4)	4000	1276	5.
6.	Interest expense	4073	0	6.
7.	Other expenses	4093	181	7.
8.	TOTAL OPERATING EXPENSE (sum of items 6 and 7)	4130	181	8.
9.	Income (loss) before income taxes and before undistributed income of subsidiary(ies) (item 5 minus item 8)	4250	1095	9.
10.	Applicable income taxes (benefits) (estimated) (see instructions)	4302	-58	10.
11.	Income (loss) before undistributed income of subsidiary(ies) (item 9 minus item 10)	0496	1153	11.
12.	Equity in undistributed income (loss) of subsidiary(ies): (see instructions)				
	a. Bank subsidiary(ies)	3156	1126	12.a.
	b. Nonbank subsidiary(ies)	2112	0	12.b.
	c. Subsidiary holding company(ies)[1]	3513	0	12.c.
13.	Net income (loss) (sum of items 11 and 12)	4340	2279	13.

Memoranda

1.	Cash dividends *(or non-taxable distributions)* declared by the holding company to its shareholders	3158	1146	M.1.
2.	Does the reporting holding company have a Subchapter S election in effect for federal income tax purposes for the current tax year? (enter "1" for Yes; enter "0" for No)	0=No / 1=Yes BHSP A530	0	M.2.
3.	Interest expense paid to special-purpose subsidiaries that issued trust preferred securities (included in item 7 above)	BHSP C254	181	M.3.

Memorandum item 4 is to be completed by holding companies that have elected to account for financial instruments or servicing assets and liabilities at fair value under a fair value option.

4.	Net change in fair values of financial instruments accounted for under a fair value option	J980		M.4.

1. This item is to be reported only by those holding companies that have subsidiary holding companies.

Schedule SC—Balance Sheet

			BHSP		
	Dollar Amounts in Thousands				
Assets					
1. Cash and due from depository institutions:					
a. Balances with subsidiary or affiliated depository institutions			5993	135	1.a.
b. Balances with unrelated depository institutions			0010	300	1.b.
2. Securities			0390	0	2.
3. Loans and lease financing receivables (exclusive of loans and lease financing receivables due from bank(s) and nonbank subsidiaries):					
a. Loans and leases, net of unearned income	2122	0			3.a.
b. LESS: Allowance for loan and lease losses	3123	0			3.b.
c. Loans and leases, net of unearned income and the allowance for loan and lease losses (item 3.a minus 3.b)			2723	0	3.c.
4. Investment in bank subsidiary(ies): (see instructions)					
a. Equity investment			3239	68209	4.a.
b. Goodwill			3238	0	4.b.
c. Loans and advances to and receivables due from bank subsidiary(ies)			3148	0	4.c.
5. Investment in nonbank subsidiary(ies): (see instructions)					
a. Equity investment			0088	217	5.a.
b. Goodwill			0087	0	5.b.
c. Loans and advances to and receivables due from nonbank subsidiary(ies)			0089	0	5.c.
6. Investment in subsidiary holding company(ies) (These items are to be completed only by companies that have subsidiary holding companies.):					
a. Equity investment			0201	0	6.a.
b. Goodwill			0202	0	6.b.
c. Loans and advances to and receivables due from subsidiary holding company(ies)			3523	0	6.c.
7. Other assets			0027	402	7.
8. Balances due from related nonbank companies (other than investments)[1]			3620	0	8.
9. TOTAL ASSETS (sum of items 1 through 8)			2170	69263	9.
Liabilities and Equity Capital					
10. Short-term borrowings:					
a. Commercial paper			2309	0	10.a.
b. Other short-term borrowings			2724	0	10.b.
11. Long-term borrowings (includes limited-life preferred stock and related surplus)			3151	0	11.
12. Accrued interest payable (see instructions)			3166	0	12.
13. Other liabilities			3167	479	13.
14. Balances due to subsidiaries and related institutions:					
a. Subsidiary bank(s)			3605	0	14.a.
b. Nonbank subsidiaries and related institutions			3621	7217	14.b.
15. Not applicable					
16. Equity capital:					
a. Perpetual preferred stock (including related surplus)			3283	9626	16.a.
b. Common stock (including related surplus)			3230	9115	16.b.
c. Retained earnings			3247	43130	16.c.
d. Accumulated other comprehensive income[2]			B530	-304	16.d.
e. Other equity capital components[3]			A130	0	16.e.
f. Total equity capital (sum of items 16.a through 16.e)			3210	61567	16.f.
17. TOTAL LIABILITIES AND EQUITY CAPITAL (sum of items 10 through 14.b, and 16.f)			3300	69263	17.

1. This item is to be reported only by lower-tier parent holding companies.
2. Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.
3. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

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Schedule SC—Continued

Memoranda (to be completed annually only by top-tier and single-tier holding companies for the December 31 report date)

1. Has the holding company engaged in a full-scope independent external audit at any time during the calendar year? (enter "1" for Yes; enter "0" for No).....	0=No 1=Yes	BHSP C884		M.1.

2. If response to Memorandum item 1 is yes, indicate below the name and address of the holding company's independent external auditing firm (see instructions), and the name and e-mail address of the auditing firm's engagement partner.[4] M.2.

a. _____
(1) Name of External Auditing Firm (TEXT C703)

_____
(2) City (TEXT C708)

_____ _____
(3) State Abbreviation (TEXT C714) (4) Zip Code (TEXT C715)

b. _____
(1) Name of Engagement Partner (TEXT C704)

_____
(2) E-mail Address (TEXT C705)

	Dollar Amounts in Thousands	BHSP		
Memoranda items 3.a and 3.b are to be completed by holding companies that have elected to account for financial instruments or servicing assets and liabilities at fair value under a fair value option.				
3. Financial assets and liabilities measured at fair value:				
a. Total assets		F819		M.3.a.
b. Total liabilities.....		F820		M.3.b.

4. The Federal Reserve regards information submitted in response to Memorandum item 2.b. as confidential.

Schedule SC-M—Memoranda

Items 1 through 13 are to be completed by all holding companies filing the FR Y-9SP report.

Dollar Amounts in Thousands	BHSP			
1. Total *consolidated* assets of the holding company	8519		681886	M.1.

Dollar Amounts in Thousands	BHSP		
2. Holding company (parent company only) borrowings not held by financial institution(s) or by insiders (including directors) and their interests (included in balance sheet items 10 or 11 above)	3152	0	M.2.
3. Treasury stock (report only if the amount exceeds 5 percent of equity capital) included in item 16.e above	3153	0	M.3.
4. Amount of nonvoting equity capital, including related surplus (included in balance sheet items 16.a., 16.b., 16.c., and 16.d.)	C702	0	M.4.
5. Total loans from parent holding company and nonbank subsidiary(ies) to insiders (excluding directors) and their interests	3155	0	M.5.
6. Pledged securities	0416	0	M.6.
7. a. Fair value of securities classified as available-for-sale (included in item 2 of the balance sheet)	8516	0	M.7.a.
b. Amortized cost of securities classified as held-to-maturity (included in item 2 of the balance sheet)	8517	0	M.7.b.
8. a. Total off-balance-sheet activities conducted either directly or through a nonbank subsidiary	F074	0	M.8.a.
b. Total debt and equity securities (other than trust preferred securities) outstanding that are registered with the Securities and Exchange Commission	F075	0	M.8.b.
9. Balances held by the subsidiary bank(s) due from nonbank subsidiaries of the parent holding company	6796	0	M.9.
10. Balances held by the subsidiary bank(s) due to nonbank subsidiaries of the parent holding company	6797	0	M.10.
11. Other assets (*only report* amounts that exceed 25 percent of balance sheet, line item 7):			
a. Accounts receivable	A024	298	M.11.a.
b. Income taxes receivable	C256	0	M.11.b.
c. Premises and fixed assets	2145	0	M.11.c.
d. Net deferred tax assets	2148	104	M.11.d.
e. Cash surrender value of life insurance policies	C009	0	M.11.e.
f. TEXT 8520	8520	0	M.11.f.
g. TEXT 8521	8521	0	M.11.g.
h. TEXT 8522	8522	0	M.11.h.
12. Other liabilities (*only report* amounts that exceed 25 percent of balance sheet, line item 13):			
a. Accounts payable	3066	0	M.12.a.
b. Income taxes payable	C257	0	M.12.b.
c. Dividends payable	2932	219	M.12.c.
d. Net deferred tax liabilities	3049	0	M.12.d.
e. TEXT 8523	8523	0	M.12.e.
f. TEXT 8524	8524	0	M.12.f.
g. TEXT 8525	8525	0	M.12.g.
13. Notes payable to special-purpose subsidiaries that issued trust preferred securities (included in balance sheet, item 14.b)	C255	7000	M.13.

Schedule SC-M—Continued

14. Have all changes in investments and activities been reported to the Federal Reserve on the Report of Changes in Organizational Structure (FR Y-10)? This item must be completed only by the top-tier holding company (and single-tier holding companies). The top-tier holding company must not leave blank or enter "N/A." Lower-tier holding companies should report "N/A." The top-tier holding company *must enter "1" for Yes or for no changes to report; or enter "0" for No.*

If the answer to this question is no, complete the FR Y-10..... | 0=No / 1=Yes | BHSP 6416 | 1 | M.14.

TEXT 6428	JOSEPH PORTER, VP, CONTROLLER	2075210455
	Name of holding company official verifying FR Y-10 reporting (Please type or print name)	Area Code / Phone Number (TEXT 9009)

Dollar Amounts in Thousands	BHSP		
Memoranda items 15 and 16 should only be completed by tiered holding companies:			
15. Short-term borrowings included in balance sheet item 14.b:			
a. From parent holding company	3524	0	M.15.a.
b. From subsidiary holding company	3526	0	M.15.b.
16. Long-term borrowings included in balance sheet item 14.b:			
a. From parent holding company	3525	0	M.16.a
b. From subsidiary holding company	3527	0	M.16.b.
Memorandum Item 17 is to be completed only by the top-tier holding company (and single-tier holding companies) for its consolidated nonbank and thrift subsidiaries:[1]			
17. a. Total combined nonbank assets of nonbank subsidiaries	4778	7217	M.17.a.
b. Total combined loans and leases of nonbank subsidiaries	C427	0	M.17.b.
c. Total aggregate operating revenue of nonbank subsidiaries	C428	0	M.17.c.
d. Combined thrift assets included in 17.a *(to be completed by a bank holding company)*	2792	0	M.17.d.
	Number (Unrounded)		
e. Number of nonbank subsidiaries included in 17.a	2794	2	M.17.e.
f. Number of thrift subsidiaries included in 17.d *(to be completed by a bank holding company)*	2796	0	M.17.f.

The following two questions (items 18 and 19) will be used to determine if the reporting holding company must complete the Consolidated Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12). In most cases, these questions are only applicable to the top-tier holding company (and single-tier holding company). See the line item instructions for further details.

18. Does the holding company hold, either directly or indirectly through a subsidiary or affiliate, any nonfinancial equity investments (see instructions for definition) within a Small Business Investment Company (SBIC) structure, or under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act, or pursuant to the merchant banking authority of section 4(k)4(H) of the Bank Holding Company Act, or pursuant to the investment authority granted by Regulation K? (enter "1" for Yes; enter "0" for No)..... | 0=No / 1=Yes | BHSP C161 | 0 | M.18.

If the answer to item 18 is no, your organization does not need to complete the FR Y-12. Skip item 19 and proceed to items 20.a. and 20.b. below. If the answer to item 18 is yes, proceed to item 19.

19. Do your aggregate nonfinancial equity investments (see instructions for definition) equal or exceed (on an acquisition cost basis) 10 percent of the holding company's total capital as of the report date? (enter "1" for Yes; enter "0" for No)..... | 0=No / 1=Yes | BHSP C159 | | M.19.

If the answer to both item 18 and item 19 is yes, your organization must complete the FR Y-12. Skip items 20.a. and 20.b., and proceed to item 21 below.

If the answer to either item 18 or item 19 is no, your organization does not need to complete the FR Y-12. Proceed to items 20.a. and 20.b. below.

1. A savings and loan holding company should not include its consolidated savings association in items 17(a) through 17(f). See the instructions for more details.

Schedule SC-M—Continued

Items 20.a. and 20.b. are to be completed by all holding companies that are not required to file the FR Y-12.

20. a. Has the holding company sold or otherwise liquidated its holding of any nonfinancial equity investment since the previous reporting period? (enter "1" for Yes; enter "0" for No).....	0=No 1=Yes	BHSP C700	 0		M.20.a.
b. Does the holding company manage any nonfinancial equity investments for the benefit of others? (enter "1" for Yes; enter "0" for No).....	0=No 1=Yes	BHSP C701	 0		M.20.b.

Dollar Amounts in Thousands	BHSP			
Memoranda items 21 and 22 are to be completed only by top-tier holding companies (and single-tier holding companies) who have made an effective election to become a financial holding company. See the line item instructions for further details.				
21. Net assets of broker-dealer subsidiaries engaged in underwriting or dealing securities pursuant to Section 4(k)(4)(E) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act.....	C252			M.21.
22. Net assets of subsidiaries engaged in insurance or reinsurance underwriting pursuant to Section 4(k)(4)(B) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act.....	C253			M.22.

Memorandum item 23 is to be completed by all holding companies who have participated in the U.S. Department of Treasury Capital Purchase Program.

23. Issuances associated with the U.S. Department of Treasury Capital Purchase Program:	BHSP			
a. Senior perpetual preferred stock or similar items	G234			M.23.a.
b. Warrants to purchase common stock or similar items.....	G235			M.23.b.

Notes to the Parent Company Only Financial Statements

Enter in the lines provided below any additional information on specific line items on the financial statements that the holding company wishes to explain, that has been separately disclosed in the holding company's quarterly reports to its shareholders, in its press releases, or on its quarterly reports to the Securities and Exchange Commission (SEC).

Also include any transactions which previously would have appeared as footnotes to the Balance Sheet and Income Statement. Each additional piece of information disclosed should include the appropriate reference to schedule and item number, as well as a description of the additional information and the dollar amount (in thousands of dollars) associated with that disclosure.

Example

A parent holding company has guaranteed a new loan for its leveraged Employee Stock Ownership Plan (ESOP) for $50 thousand and that amount has increased the parent company's long-term unsecured debt by a material amount. Enter on the line item below the following information:

TEXT		BHSP			
0000	Balance Sheet, item 11, New loan to holding company's ESOP				
	guaranteed by holding company parent				
					50

Notes to the Financial Statements

	TEXT	Dollar Amounts in Thousands	BHSP				
1.		Outstanding issuances of perpetual preferred stock associated with the U.S. Department of Treasury Community Development Capital Initiative (CDCI) program included in Schedule SC, item 16.a, Perpetual preferred stock including related surplus (for Subchapter S corporations, outstanding issuances of subordinated debt securities associated with CDCI included in Schedule SC, item 11, Long-term borrowings)	K141			0	1.
2.	8527		8527				2.
3.	8528		8528				3.
4.	8529		8529				4.
5.	8530		8530				5.