

## COMMUNITY INVESTMENT

Bangor Savings Bank is committed to investing in our communities as we do in our employees and for our customers.

The Bank, together with the Bangor Savings Bank Foundation, contributed more than \$700,000 last year in sponsorships, grants, and donations to community-based groups.

### A Community Dividend

Last year, the Bank's Board made a new commitment to our communities. As a mutual bank, we will begin to commit a "Community Dividend": a level of community investment, funneled through our Foundation, that is targeted to a gradually increasing proportion of earnings. The intent is to commit 5% of our earnings by 2008-09. This commitment will, over the next five years, equate to a 700% increase in our level of community investment.

### Responding to Community Needs

The Bank and its Foundation provided support for more than 400 community groups and initiatives last year. Major funding in FY06 included the American Folk Festival, Androscoggin Chamber of Commerce, Bangor YMCA, Camden Conference, Dean Memorial Hospital and Nursing Home, Eastport Arts Center, Holocaust Human Rights Center of Maine, Katahdin Area Boy Scout Council, Maine Children's Alliance, Maine Rural Partners, MaineGeneral Medical Center, Make-A-Wish Foundation of Maine, Tides Institute, the University of Southern Maine Foundation, and the Waldo County YMCA.



*Finnels and Cathy Larkin describe the personal benefits of weatherization at the Energy Initiative press conference.*

### Leading the Way

We were pleased last year to collaborate with other funders in Eastern Maine in launching an Energy Initiative to respond to the urgent needs created by record heating oil prices and inadequate federal funding. With a \$50,000 challenge grant from the Bank's Foundation as a catalyst, the group contributed over \$550,000, aided nearly 1000 families with fuel assistance, and weatherized over 90 homes for long-term energy efficiency.

### Getting Strategic with Philanthropy

Making a real difference in our communities takes innovation and action. Merely reacting to short-term needs is not enough. Thus, the Bank's Foundation has launched a new undertaking for any corporate funder in Maine: with help from experts at Common Good Ventures, we launched a Strategic Philanthropy initiative combining more effectively targeted grant-making to select nonprofits with a sustained partnership of the Bank's volunteers and access to other resources.

## Our Strategic Philanthropy Focus



### What Is Strategic Philanthropy?

Strategic Philanthropy is an approach that seeks to maximize leverage and turn giving into meaningful investing by:

- Selecting the best grantees
- Improving the performance of grant recipients
- Signaling other funders to invest
- Advancing knowledge through research, best practices

After in-depth due diligence, the Foundation selected these three strategic partners:

- **Jobs for Maine's Graduates**, to increase graduation, career development, and postsecondary education for at-risk youth across the state;
- **Realize!Maine** initiative of the Maine Development Foundation, to reverse the "brain drain" by making Maine the best place in America for people under 35 to live, work, and prosper; and
- **Maine Highlands Artisan Guild**, to increase revenues and job creation by artisan-based businesses in rural Maine.



**MAINE DEVELOPMENT FOUNDATION**

The Bank will commit three years of major funding to each partner, coaching by senior bank managers, access to other bank resources and our connections to external resources. Common Good Ventures will assist us with training volunteers, developing and coaching, and evaluation models.

### Investing More than Money

Last year, the Bank initiated a new policy to reinforce our commitment to *sharing our greatest resource with the community: our people*. Bank employees already provided thousands of hours of volunteer effort to a host of causes and organizations, often on their own time. Beginning in FY06, all employees may use two paid days during the year to volunteer in the community.

### Doing Well by Doing Good: Community Development Program

Bangor Savings Bank's Community Development Program is a distinct business unit that engages nonprofit community development corporations as an emerging market opportunity. We provide a full array of contemporary financial service tools tailored to the nonprofit sector to assist them in becoming financially successful "mission-driven enterprises." The Bank originated more than \$26 million in qualified community development loans in FY06. Some of those loans included MaineStream Finance, Seniors Plus (Lewiston Area Agency on Aging), Avesta Fore River Housing LP, KMHA Real Estate, Inc., Pleasant Point Passamaquoddy Housing Authority, Bangor Waterworks LIHTC Project, and Mobius, Inc.



*A Bank-financed project will transform the Bangor Waterworks into 25 units of new low-income housing.*