SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10 - Q

X Quarterly report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarter ended March 31, 1995

or

Transition report persuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the transition period from ____________ to ____________

Commission File Number 0 - 16123

Bethel Bancorp

(Exact name of registrant as specified in its charter)

Maine	01 - 0425066
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
489 Congress Street, Portland, Maine	04101
(Address of principal executive offices)	(Zip Code)

(207) 772 - 8587

Registrant's telephone number, including area code

Not Applicable

Former name, former address and former fiscal year,if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Not Applicable

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Shares outstanding as of April 30, 1995: 547,502 of common stock, $1.00 par value per share.

BETHEL BANCORP AND SUBSIDIARIES
Consolidated Balance Sheets

	March 31, 1995	June 30, 1994
Assets		
Cash and due from banks	$ 3,304,031	$ 2,480,913
Interest bearing deposits in other banks	5,061,143	8,855,592
Trading account securities at market	52,851	173,071
Available for sale securities	2,116,204	2,060,222
Held to maturity securities (market value $18,644,750 at 3/31/95 and $7,358,599 at 6/30/94)	18,932,804	8,020,108
Federal Home Loan Bank stock	2,550,000	2,345,000
Loans held for sale	215,454	521,458
Loans	167,055,893	158,819,218
Less deferred loan origination fees	323,189	358,439
Less allowance for loan losses	2,530,000	2,463,000
Net loans	164,202,704	155,997,779

Bank premises and equipment, net	3,945,071	3,044,791
Real estate held for investment	490,837	650,191
Other real estate owned	1,441,082	1,993,984
Goodwill (net of accumulated amortization of $558,172 at 3/31/95 and $396,048 at 6/30/94)	2,939,800	1,452,260
Other assets	3,439,729	3,005,119
Total Assets	208,691,710	190,600,488
Liabilities and Shareholders' Equity		
Liabilities		
Deposits	$ 149,468,192	$ 124,306,354
Repurchase Agreements	2,425,603	--
Advances from Federal Home Loan Bank	36,200,000	45,900,000
Notes payable	2,137,695	2,520,206
Other Liabilities	1,714,907	2,117,565
Total Liabilities	191,946,397	174,844,125
Shareholders' Equity		
Preferred stock, Series A, 45,454 shares issued and outstanding	999,988	999,988
Preferred stock, Series B, 71,428 shares issued and outstanding	999,992	999,992
Common stock, par value $ 1, issued and outstanding, 547,400 shares at 3/31/95 and 547,400 at 6/30/94	547,400	547,400
Additional paid in capital	4,640,968	4,640,968
Retained earnings	9,990,561	9,006,038
	17,178,909	16,194,386
Net unrealized loss on available for sale securities	(433,596)	(438,023)
Total Shareholders' Equity	16,745,313	15,756,363
Total Liabilities and Shareholders' Equity	$ 208,691,710	$ 190,600,488

BETHEL BANCORP AND SUBSIDIARIES
Consolidated Statements of Income

	Three Months Ended March 31, 1995	1994
Interest and Dividend Income		
Interest on fed funds & interest bearing deposits	$ 93,657	$ 52,873
Interest on loans & loans held for sale	3,811,479	3,336,750
Interest on investment securities & available for sale securities	393,563	126,793
Dividend on Federal Home Loan Bank Stock	45,271	43,232
Total Interest Income	4,343,970	3,559,648
Interest Expense		
Deposits	1,410,184	1,053,807
Repurchase agreements	25,721	--
Other borrowings	628,565	491,091
Total Interest Expense	2,064,470	1,544,898
Net Interest Income	2,279,500	2,014,750
Provision for loan losses	145,776	186,908
Net Interest Income after Provision for Loan Losses	2,133,724	1,827,842
Other Income		
Service charges	248,119	214,184
Available for sale securities gains (losses)	(1,848)	43,121
Gain (Loss) on trading account	151,910	94,795
Other	145,717	282,060
Total Other Income	543,898	634,160
Other Expenses		
Salaries and employee benefits	1,003,890	942,283
Net occupancy expense	149,483	113,670
Equipment expense	190,717	144,651
Goodwill amortization	72,294	31,951
Other	614,482	646,331
Total Other Expenses	2,030,866	1,878,886
Income Before Income Taxes	646,756	583,116
Income tax expense	238,683	230,975
Net Income	$ 408,073	$ 352,141
Earnings Per Share		
Primary	$ 0.61	$ 0.56
Fully Diluted	$ 0.56	$ 0.56

BETHEL BANCORP AND SUBSIDIARIES
Consolidated Statements of Income

	Nine Months Ended March 31, 1995	1994
Interest and Dividend Income		
Interest on fed funds & interest bearing deposits	$ 313,428	$ 171,504
Interest on loans & loans held for sale	11,084,775	9,889,507
Interest on investment securities & available for sale securities	859,340	303,781
Dividend on Federal Home Loan Bank Stock	148,188	113,346
Total Interest Income	12,405,731	10,478,138
Interest Expense		
Deposits	3,864,227	3,379,508
Repurchase agreements	47,163	--
Other borrowings	1,861,647	1,399,683
Total Interest Expense	5,773,037	4,779,191
Net Interest Income	6,632,694	5,698,947
Provision for loan losses	494,590	724,337
Net Interest Income after Provision for Loan Losses	6,138,104	4,974,610
Other Income		
Service charges	698,405	642,236
Available for sale securities gains (losses)	6,280	268,920
Gain (Loss) on trading account	375,732	82,472
Other	531,412	1,058,879
Total Other Income	1,611,829	2,052,507
Other Expenses		
Salaries and employee benefits	2,873,541	2,636,117
Net occupancy expense	382,659	297,539
Equipment expense	508,121	393,591
Goodwill amortization	162,124	88,480
Other	1,896,899	2,014,978
Total Other Expenses	5,823,344	5,430,705
Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle	1,926,589	1,596,412
Income tax expense	705,691	589,003
Income After Taxes and Before the Cumulative Effect of Change in Accounting Principle	1,220,898	1,007,409
Cumulative effect at July 1, 1993 of change in accounting for income taxes	--	260,000
Net Income	$ 1,220,898	$ 1,267,409
Earnings Per Share After Accounting Change		
Primary	$ 1.82	$ 2.12
Fully Diluted	$ 1.67	$ 2.06
Earnings Per Share Before Accounting Change		
Primary	$ 1.82	$ 1.66
Fully Diluted	$ 1.67	$ 1.64

BETHEL BANCORP AND SUBSIDIARIES
Consolidated Statements of Changes in Shareholders' Equity
Nine Months Ended March 31, 1995 and 1994

	Common Stock	Preferred Stock	Additional Paid - In Capital	Retained Earnings	Net Unrealized Gains(Losses) on Available for Sale Securities	Total
Balance at June 30, 1993	$ 542,400	$ 999,988	$ 4,589,068	$ 7,824,465	$ 111,421	$ 14,067,342
Net Income for Nine Months Ended March 31,1994	--	--	--	1,267,409	--	1,267,409
Dividends Paid on Common Stock	--	--	--	(130,197)	--	(130,197)
Dividends Paid on Preferred Stock	--	--	--	(69,998)	--	(69,998)
Stock Options Exercised	5,000	--	51,900	--	--	56,900
Preferred Stock, Series B, 71,428 Shares Issued and Outstanding	--	999,992	--	--	--	999,992
Net Change in Unrealized Loss on Securities Available for Sale	--	--	--	--	(497,288)	(497,288)
Balance March 31, 1994	$ 547,400	$ 1,999,980	$ 4,640,968	$ 8,891,679	$ (385,867)	$ 15,694,160
Balance at June 30, 1994	$ 547,400	$ 1,999,980	$ 4,640,968	$ 9,006,038	$ (438,023)	$ 15,756,363
Net Income for Nine Months Ended March 31, 1995	--	--	--	1,220,898	--	1,220,898
Dividends Paid on Common Stock	--	--	--	(131,376)	--	(131,376)
Dividends Paid on Preferred Stock	--	--	--	(104,999)	--	(104,999)
Net Change in Unrealized Loss on Securities Available for Sale	--	--	--	--	4,427	4,427
Balance March 31, 1995	$ 547,400	$ 1,999,980	$ 4,640,968	$ 9,990,561	$ (433,596)	$ 16,745,313

BETHEL BANCORP AND SUBSIDIARIES
Consolidated Statements of Cash Flow

	Nine Months Ended March 31, 1995	1994
Cash provided by operating activities	$ 2,205,597	$ 4,335,841
Cash flows from investing activities:		
FHLB stock purchased	(205,000)	--
Held to maturity securities purchased	(12,421,919)	(4,359,329)
Held to maturity securities matured	1,481,795	189,352
Available for sale securities purchased	(265,841)	(8,325,714)
Available for sale securities matured	66,882	3,869,109
Available for sale securities sold	149,417	2,747,273
New loans, net of repayments & charge offs	(9,146,040)	(6,091,085)
Net capital expenditures	(1,325,865)	(293,746)
Real estate owned sold	664,621	471,389
Real estate held for investment purchased	(21,905)	(59,003)
Real estate held for investment sold	168,600	70,292
Premium paid for Key Bank acquisition	(1,590,228)	--
Net cash (used in) investing activities	(22,445,483)	(11,781,462)
Cash flows from financing activities:		
Net change in deposits	25,161,838	451,514
Net change in repurchase agreements	2,425,603	--
Dividends paid	(236,375)	(200,494)
Proceeds from stock options exercised	--	56,900
Proceeds from preferred stock issuance	--	999,992
Net (decrease) increase in advances from Federal Home Loan Bank of Boston	(9,700,000)	6,719,000
Net change in notes payable	(382,511)	22,648
Net cash provided by financing activities	17,268,555	8,049,560
Net (decrease) increase in cash and cash equivalents	(2,971,331)	603,939
Cash and cash equivalents, beginning of period	11,336,505	10,447,779
Cash and cash equivalents, end of period	$ 8,365,174	$ 11,051,718

Cash and cash equivalents include cash on hand, amounts due from banks, interest bearing deposits and federal funds sold

Supplemental schedule of noncash investing activities:

	Nine Months Ended March 31, 1995	1994
Transfer of invetments available for sale to investments held to maturity	--	4,082,439
Net increase (decrease) in valuation for unrealized market value adjustments on available for sale securities	4,427	(497,288)
Net transfer (to) from Loans to Other Real Estate Owned	481,775	(279,810)

BETHEL BANCORP AND SUBSIDIARIES
Notes to Consolidated Financial Statements
March 31, 1995

1. Basis of Presentation

The accompanying unaudited condensed and consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month period ended March 31, 1995 are not necessarily indicative of the results that may be expected for the year ending June 30, 1995. For further information, refer to the audited consolidated financial statements and footnotes thereto for the fiscal year ended June 30, 1994 included in the Company's annual report on Form 10-K.

2. Securities

Securities held to maturity at their carrying and approximate market values are summarized below.

	March 31, 1995		June 30, 1994	
	Cost	Market Value	Cost	Market Value
Debt securities issued by the U.S. Treasury and other U.S. Government corporations and agencies	$ 1,385,624	$ 1,264,735	$ 1,382,544	$ 1,239,725
Mortgage-backed securities	16,698,546	16,552,933	5,669,215	5,242,518
FNMA Guaranteed REMIC	848,634	827,082	968,349	876,356
	$ 18,932,804	$ 18,644,750	$ 8,020,108	$ 7,358,599

	March 31, 1995		June 30, 1994	
	Cost	Market Value	Cost	Market Value
Due in one year or less	--	--	--	--
Due after one year through five years	--	--	--	--
Due after five years through ten years	--	--	--	--
Due after ten years	1,385,624	1,264,735	1,382,544	1,239,725
Mortgage-backed securities (including securities with interest rates ranging from 6.0% to 8.5% maturing June 2004 to November 2024)	16,698,546	16,552,933	5,669,215	5,242,518
FNMA Guaranteed REMIC (6.725% maturing March 2023)	848,634	827,082	968,349	876,356
	$ 18,932,804	$ 18,644,750	$ 8,020,108	$ 7,358,599

Securities available for sale at the carrying and approximate market values are summarized below.

	March 31, 1995		June 30, 1994	
	Cost	Market Value	Cost	Market Value
Debt securities issued by the U.S. Treasury and other U.S. Government corporations and agencies	$ 250,000	$ 226,875	$ 250,000	$ 226,407
Corporate bonds	149,587	131,710	149,551	129,094
Mortgage-backed securities	1,324,895	1,226,114	1,391,708	1,265,380
Equity securities	645,589	531,505	524,433	439,341
	$ 2,370,071	$ 2,116,204	$ 2,315,692	$ 2,060,222

	March 31, 1995		June 30, 1994	
	Cost	Market Value	Cost	Market Value
Due in one year or less	--	--	--	--
Due after one year through five years	--	--	--	--
Due after five years through ten years	399,587	358,585	399,551	355,501

Due after ten years	--	--	--	--
Mortgage-backed securities (including securities with interest rates ranging from 5.15% to 6.5% maturing September 2023 to February 2024)	1,324,895	1,226,114	1,391,708	1,265,380
Equity securities	645,589	531,505	524,433	439,341
	$ 2,370,071	$ 2,116,204	$ 2,315,692	$ 2,060,222

3. Allowance for Loan Losses

The following is an analysis of transactions in the allowance for loan losses:

	Nine Months Ended March 31, 1995	1994
Balance at beginning of year	$ 2,463,000	$ 2,123,000
Add provision charged to operations	494,590	724,337
Recoveries on loans previously charged off	36,387	41,266
	2,993,977	2,888,603
Less loans charged off	463,977	554,603
Balance at end of period	$ 2,530,000	$ 2,334,000

4. Advances from Federal Home Loan Bank

A summary of borrowings from the Federal Home Loan Bank is as follows:

March 31, 1995

Principal Amounts	Interest Rates	Maturity Dates
$ 28,400,000	3.98% - 7.65%	1996
4,800,000	5.17% - 8.30%	1997
2,000,000	4.97% - 5.08%	1998
1,000,000	5.75%	1999
$ 36,200,000		

June 30, 1994

Principal Amounts	Interest Rates	Maturity Dates
$ 25,200,000	3.93% - 8.81%	1995
7,300,000	4.41% - 5.84%	1996
6,900,000	3.61% - 8.30%	1997
3,500,000	3.86% - 5.08%	1998
3,000,000	3.90% - 5.75%	1999
$ 45,900,000		

5. Acquisition

The subsidiaries of Bethel Bancorp, Bethel Savings Bank, F.S.B. and Brunswick Federal Savings, F.A., acquired four branches from Key Bank of Maine on October 28, 1994. Bethel Savings Bank, F.S.B. acquired the Buckfield and Mechanic Falls branches from Key Bank. Brunswick Federal Savings, F.A. acquired the Lisbon Falls and Richmond branches from Key Bank. The total deposits and repurchase agreements acquired from the four branches were $27,744,418. The premium paid to Key Bank for these deposits was $1,590,228. The cost of the real estate, buildings, and equipment purchased from Key Bank was $498,500.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

Financial Condition

Total consolidated assets were $208,691,710, which was an increase of $18,091,222 for the nine months ended March 31, 1995. Total loans increased by 7,898,921 and cash equivalents and investments increased by 7,877,127. Total deposits increased $25,161,838 and total borrowings from the Federal Home Loan Bank decreased by $9,700,000 since June 30, 1994. The Company has also obtained $2,425,603 of repurchase agreement deposits from local municipalities as of March 31, 1995. The growth in total assets and the deposit accounts was primarily attributed to the acquisition of four Key Bank branches.

The subsidiaries of Bethel Bancorp, Bethel Savings, F.S.B. and Brunswick Federal Savings, F.A., acquired four branches from Key Bank of Maine on October 28, 1994. Bethel Savings, F.S.B. acquired the Buckfield and Mechanic Falls branches from Key Bank. Brunswick Federal Savings, F.A. acquired the Lisbon Falls and Richmond branches from Key Bank. The total deposits and repurchase agreements acquired from the four branches were $27,744,418. The premium paid to Key Bank for these deposits was $1,590,228. The cost of the real estate, buildings, and equipment purchased from Key Bank was $498,500.

Cash and due from banks has increased by $823,118 due to the additional cash needs at the new branches and the liquidity requirements for the increased deposit base. Interest bearing deposits in other banks have decreased by $3,794,449 primarily to fund the growth in securities and loans. Gross portfolio loans increased $8,236,675 and total securities held to maturity increased by $10,912,696 for the nine months ended March 31, 1995. The total loan increase was primarily due to the increased demand for 1-4 family residential and real estate commercial loans. The increase in securities was attributed to the subsidiary banks investing the cash from deposits acquired from the Key Bank branches. The cash from the acquired deposits of Key Bank was also utilized to reduce Federal Home Loan Bank advances. Loans held for sale decreased due to the Company's sale of mortgage loans to Freddie Mac and the sale of SBA guaranteed commercial loans to the secondary market. The Company's additional borrowing capacity at the Federal Home Loan Bank on March 31, 1995 was $61,400,000. With the borrowing capacity at the Federal Home Loan Bank and the continued growth in bank deposits, management believes that the Company's available liquidity resources are sufficient to support future loan growth.

Fixed Assets increased by $900,280 for the nine months ended March 31, 1995. This increase was primarily due to the acquisition of the Key Bank branches, explained above, as well as the capitalized costs associated with the relocation of the Mechanic Falls branch to a new facility. Other real estate owned has decreased by $552,902 due to real estate sales and reducing property values to current appraisals. Goodwill has increased by $1,487,540 due to the premium paid to Key Bank for the branch acquisition, explained above. The premium paid for the Key Bank branch acquisition is being amortized over a ten year period. The increase in other assets of $434,610 was due to accrued interest receivables, deferred taxes, and suspense accounts.

Notes payable has decreased by $382,511 due to principal payments. The decrease in other liabilities of $402,658 was due to larger balances at June 30, 1994 in loan escrows, deferred gains on sale of the guaranteed portion of SBA loans, and ASI Data Service's accounts payable.

Cash provided by operating activities, as stated in the consolidated statements of cash flow, was $2,205,597 as of March 31, 1995 versus $4,335,841 as of March 31, 1994. The difference between the periods of $2,130,244 was due to the change in the balances in Loans Held for Sale and the decrease in other liabilities due to larger balances in loan escrows and deferred gains on sale of the guaranteed portion of SBA loans.

Total equity of the Company was at $16,745,313 as of March 31, 1995 versus $15,756,363 at June 30, 1994. Book value per common share was $26.94 as of March 31, 1995 versus $25.13 at June 30, 1994. Total equity to total assets of the Company as of March 31, 1995 was 8.02%.

At March 31, 1995, the Banks' regulatory capital was in compliance with regulatory capital requirements as follows:

	Bethel Savings Bank, F.S.B.	Brunswick Federal Savings, F.A.
Capital Requirements:		
Tangible capital	$ 1,556,000	$ 1,520,000
Percent of tangible assets	1.50%	1.50%
Core capital	$ 3,112,000	$ 3,040,000
Percent of adjusted tangible assets	3.00%	3.00%
Leverage capital	$ 4,149,000	$ 4,053,000
Percent of adjusted leverage assets	4.00%	4.00%
Risk-based capital	$ 5,430,000	$ 4,508,000
Percent of risk-weighted assets	8.00%	8.00%

Actual:		
Tangible capital	$ 7,798,000	$ 7,101,000
Percent of adjusted total assets	7.52%	7.01%
Excess of requirement	$ 6,242,000	$ 5,581,000
Core capital	$ 7,798,000	$ 7,101,000
Percent of adjusted tangible assets	7.52%	7.01%
Excess of requirement	$ 4,686,000	$ 4,061,000
Leverage capital	$ 7,798,000	$ 7,101,000
Percent of adjusted leverage assets	7.52%	7.01%
Excess of requirement	$ 3,649,000	$ 3,048,000
Risk-based capital	$ 8,062,000	$ 7,807,000
Percent of risk-weighted assets	11.88%	13.85%
Excess of requirement	$ 2,632,000	$ 3,299,000

The carrying value of securities available for sale of the Company was $2,116,204, which is $253,867 less than the cost of the underlying securities, at March 31, 1995. The difference from the cost and the carrying value of the securities was primarily due to the change in current market rates from the rates at the time of purchase. Management believes that it is obtaining a reasonable rate of return on these investments, all of which are of high quality. Based on the Company's available sources of liquidity, management has the ability and the intent to hold these securities until the market values have recovered to approximate cost. It is advantageous to hold these securities until the market values recover and earn approximately 1% below current market rates than it is to sell the securities at a loss and reinvest the proceeds in securities bearing current interest rates.

The loan loss allowance of the Company was $2,530,000 as of March 31, 1995 versus $2,463,000 as of June 30, 1994. The Company had non- performing loans totaling $2,518,123 at March 31, 1995 as compared to $2,723,000 at June 30, 1994. Management realizes during the past nine months non-performing loans have decreased in 1-4 family mortgages and increased slightly in commercial mortgages. At March 31, 1995, the Company had approximately $4,461,000 of loans classified substandard, exclusive of the non-performing loans stated above, that could potentially become non-performing due to delinquencies or marginal cash flows. Non-performing loans represented 1.21% of total assets at March 31, 1995. The following table represents the Company's current non-performing loans:

Description	Total
1-4 Family Mortgages	$ 816,972
Commercial Mortgages	1,333,559
Commercial Installment	336,002
Consumer Installment	31,590
Total non-performing	$ 2,518,123

The majority of the non-performing loans are seasoned loans located in the Oxford county area. Management believes that the increase is due to the depressed economy in this geographic area which has resulted in high unemployment and a soft real estate market. Management has allocated substantial resources to this area in an effort to control the growth in non-performing loans.

The following table reflects the quarterly trend of total delinquencies 30 days or more past due, including non-performing loans, for the Company as a percentage of total loans:

6-30-94	9-30-94	12-31-94	3-31-95
2.64%	2.14%	1.96%	2.27%

The Company has decreased its delinquent accounts at March 31, 1995 when compared to June 30, 1994. This reduction was largely due to the decrease of the non-performing loans by $205,000 and the collection efforts of the 30 and 60 day delinquent accounts. The majority of the Company's delinquencies are in real estate mortgage loans. The Company maintains a well collateralized position in real estate mortgage loans. This factor of collateral is utilized by management in the computation of an adequate loan loss allowance balance. For the reasons given above and management's evaluation of the risk of loss in the loan portfolio, management believes the balance of the loan loss allowance, currently and when compared to the prior year, is adequate.

The Company's loan loss allowance was equal to 100% of the total non-performing loans at March 31, 1995. The Company currently budgets $48,000 per month to the provision for loan losses and additional provisions are made when deemed necessary. The Company continues to monitor its reserve for adequacy and currently believes it is sufficient based on the level of risk in the loan portfolio.

Continued weakness in the New England economy, which has previously resulted in high unemployment and a soft real estate market in the region, creates a risk to the overall credit quality of the portfolio of each subsidiary bank. The Company intends to continue monitoring its loan portfolio and to add additional reserves if and when it becomes necessary to do so.

Results of Operations

Net income for the quarter ended March 31, 1995 was $408,073. The primary earnings per share was $.61 and the fully diluted earnings per share was $.56 for the quarter ended March 31, 1995. This compares to earnings of $352,141, or a primary earnings per share of $.56 per share and a fully diluted earnings per share of $.56, for the quarter ended March 31, 1994. Net income for the nine months ended March 31, 1995 was $1,220,898 versus $1,267,409 for the period ended March 31, 1994. Primary earnings per share was $1.82 and fully diluted earnings per share was $1.67 for the nine month period ended March 31, 1995 versus primary earnings per share of $2.12 and fully diluted earnings per share of $2.06, for the nine month period ended March 31, 1994. The Company's earnings from operations for the nine months ended March 31, 1994 was $1,007,409, which represented primary earnings per share of $1.66 and fully diluted earnings per share of $1.64. Included in the Company's income for the nine months ended March 31, 1994 was $260,000 for the cumulative effect of a change in the method of accounting for income taxes, Statement of Financial Accounting Standard 109. This one time adjustment increased the Company's 1994 nine month primary earnings per share by $.46 and the fully diluted earnings per share by $.42.

The Company's net interest income was $2,279,500 for the quarter ended March 31, 1995, versus $2,014,750 for the quarter ended March 31, 1994, for an increase of $264,750. This increase was due to an increase of $784,322 in interest income which was offset by an increase in total interest expense of $519,572.

The Company's net interest income for the nine months ended March 31, 1995 was $6,632,694 versus $5,698,947, for an increase of $933,747, when compared to the nine months ended March 31, 1994. This increase was due to an increase of $1,927,593 in interest income which was offset by an increase in interest expense of $993,846. Total interest income increased $1,927,593 during the nine months ended March 31, 1995 when compared to the nine months ended March 31, 1994, resulting from the following items. Interest income on loans and loans held for sale increased by $1,195,268 for the nine months ended March 31, 1995 resulting from a $486,569 increase due to an increase in the volume of loans as well as an increase of $708,699 due to increased rates on loans. Interest income on investment securities increased by $590,401 resulting from a $537,078 increase due to an increase in volume as well as an increase of $53,323 due to increased rates on investments. Interest income on short term liquid funds increased by $141,924 resulting from a $26,216 increase due to an increase in volume as well as an increase of $115,708 due to increased rates on fed funds and deposits. The increase in total interest expense of $993,846 for the nine months ended March 31, 1995 resulted from the following items. Interest expense on deposits increased by $484,719 for the nine months ended March 31, 1995 resulting from a $314,813 increase due to an increase in the volume of deposits as well as an increase of $169,906 due to increasing deposit rates. Interest expense on repurchase agreements increased by $47,163 due to the new volume acquired from Key Bank in the current year. Interest expense on borrowings increased $461,964 for the nine months ended March 31, 1995 resulting from an increase of $244,770 due to an increase in the volume of borrowings as well as an increase of $217,194 due to a change in the mix of interest rates on borrowings. The changes in net interest income, as explained above, are also presented in the schedule below.

Bethel Bancorp
Rate/Volume Analysis for the nine months ended
March 31, 1995 versus March 31, 1994

	Difference Due to Volume	Rate	Total
Fed Funds & Deposits	$ 26,216	$ 115,708	$ 141,924
Investments	537,078	53,323	590,401
Loans & Loans Held for Sale	486,569	708,699	1,195,268
Total	1,049,863	877,730	1,927,593
Deposits	314,813	169,906	484,719
Repurchase Agreements	47,163	0	47,163
Borrowings	244,770	217,194	461,964
Total	606,746	387,100	993,846
Net Interest Income	$ 443,117	$ 490,630	$ 933,747

Rate/Volume amounts spread proportionately between volume and rate.

Since October 1993, actions by the Federal Reserve Board have resulted in increases in prime lending rates. Approximately 20% of the Company's loan portfolio is comprised of floating rate loans based on a prime rate index. Interest income on these existing loans will increase as the prime rate increases, as well as on approximately 21% of other loans in the Company's portfolio that are based on short-term rate indices such as the one-year treasury bill. An increase in short-term interest rates will also increase deposit and Federal Home Loan Bank advance rates, increasing the Company's interest expense. Although the Company anticipates some net interest margin compression due to rising rates, the impact on net interest income will depend on, among other things, actual rates charged on the Company's loan portfolio, deposit and advance rates paid by the Company and loan volume.

Total non-interest income was $543,898 and $1,611,829 for the three and nine months ended March 31, 1995 versus $634,160 and $2,052,507 for the three and nine months ended March 31, 1994. Income from available for sale securities gains (losses) was $(1,848) and $6,280 for the three and nine months ended March 31, 1995 versus $43,121 and $286,920 for the three and nine months ended March 31, 1994. Gains from the sale of securities have decreased due to the Company holding the majority of its current securities to maturity. Income from trading account securities was $151,910 and $375,732 versus $94,795 and $82,472 for the three and nine months ended March 31, 1995 and 1994, respectively. The increase in gain (loss) on trading account was due to the sale and appreciation in the market values of the securities classified as trading.

Gains on the sale of loans held for sale amounted to $24,639 and $141,399 for the three and nine months ended March 31, 1995 versus $87,772 and $392,037 for the three and nine months ended March 31, 1994. Gains from the sale of loans have decreased as a result of decreased originations due to money center banks becoming highly competitive in originating residential loans for sale to the secondary market, as well as underwriting and selling SBA guaranteed commercial loans. Gross income for ASI Data Services amounted to $6,234 and $16,718 versus $34,293 and $334,709 for the three and nine months ended March 31, 1995 and 1994, respectively. ASI Data Services decreased income was due to decreased sales activity based on the Company's need. Gross income for First New England Benefits was $85,659 and $255,349 for the three and nine months ended March 31, 1995 versus $134,463 and $184,069 for the three and nine months ended March 31, 1994. The amounts discussed in this paragraph are reflected in other income.

Total operating expense, or non-interest expense, for the Company was $2,030,866 and $5,823,344 for the three and nine months ended March 31, 1995 versus $1,878,886 and $5,430,705 for the three and nine months ended March 31, 1994.

Compensation expense increased by $61,607 and $237,424 for the three and nine months ended March 31, 1995 as a result of the addition of officers and administrative employees at Bethel Bancorp and its subsidiaries, the addition of First New England Benefits and the four new branches, as well as annual salary increases. Net occupancy expenses increased by $35,813 and $85,120 for the three and nine months ended March 31, 1995 primarily due to the additional space expense associated with the Portland office, First New England Benefits, and the four new branches acquired from Key Bank. Equipment expense increased by $46,066 and $114,530 for the three and nine months ended March 31, 1995 due to the expenses associated with the new acquisitions as well as the general needs at the subsidiaries. Goodwill expense increased by $40,343 and $73,644 for the three and nine months ended March 31, 1995 due to the premium paid for the four Key Bank branches and First New England Benefits. Other expenses have decreased by $31,849 and decreased by $118,079 for the three and nine months ended March 31, 1995. Other expenses decreased during the three and nine months ended March 31, 1995 primarily due to the decrease in ASI Data Services' costs of goods sold, in association with the reduction of its gross income, which was offset in part primarily due to the increased expenses from First New England Benefits and the four new branches.

The provision for loan loss was $145,776 and $494,590 for the three and nine months ended March 31, 1995 versus $186,908 and $724,337 for the three and nine months ended March 31, 1994. The large variance between periods was due to higher levels of non-performing loans and loans charged off at March 31, 1994.

Impact of Inflation

The consolidated financial statements and related notes herein have been presented in terms of historic dollars without considering changes in the relative purchasing power of money over time due to inflation.

Unlike many industrial companies, substantially all of the assets and virtually all of the liabilities of the Company are monetary in nature. As a result, interest rates have a more significant impact on the Company's performance than the general level of inflation. Over short periods of time, interest rates may not necessarily move in the same direction or in the same magnitude as inflation.

BETHEL BANCORP AND SUBSIDIARIES

Part II - Other Information

Item 1. Legal Proceedings

Not Applicable.

Item 2. Changes in Securities

Not Applicable.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits and Reports on Form 8 - K

(a) Exhibits

2.1 Agreement for the Purchase and Sale of Assets and Assumption of Liabilities dated as of May 4, 1994 between Bethel Savings Bank and Key Bank of Maine, incorporated by reference to Exhibit 2.1 to Bethel Bancorp's Current Report on Form 8 - K dated May 4, 1994.

2.2 Agreement for the Purchase and Sale of Assets and Assumption of Liabilities dated as of May 4, 1994 between Brunswick Federal Savings and Key Bank of Maine, incorporated by reference to Exhibit 2.2 to Bethel Bancorp's Current Report on Form 8 - K dated May 4, 1994.

11 Statement regarding computation of per share amounts

27 Financial Data Schedule

(b) Reports on Form 8 - K

On February 6, 1995, the Company filed a report on Form 8-K announcing that it had dismissed KPMG Peat Marwick LLP (KPMG) as its independent accountants and retained Baker Newman & Noyes, Limited Liability Company (BNN) in this regard. These actions were taken following the closure of KPMG's Portland, Maine, office and the formation of BNN by former KPMG representatives and another accounting firm.

BETHEL BANCORP AND SUBSIDIARIES
Signatures

Pursuant to the requirements of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BETHEL BANCORP
(Registrant)

/s/ James D. Delamater
James D. Delamater
President and CEO

/s/ Richard Wyman
Richard Wyman
Chief Financial Officer

Date: May 10, 1995

BETHEL BANCORP AND SUBSIDIARIES
Index to Exhibits

EXHIBIT NUMBER	DESCRIPTION
2.1	Agreement for the Purchase and Sale of Assets and Assumption of Liaibilities dated as of May 4, 1994 between Bethel Savings and Key Bank of Maine, Incorporated by reference to Exhibit 2.1 to Bethel Bancorp's Current Report on Form 8 - K dated May 4, 1994
2.2	Agreement for the Purchase and Sale of Assets and Assumption of Liabilites dated as of May 4, 1994 between Brunswick Federal Savings Bank and Key Bank of Maine, incorporated by reference to Exhibit 2.2 to Bethel Bancorp's Current Report on Form 8 - K dated May 4, 1994
11	Statement regarding computation of per share earnings
27	Financial Data Schedule

BETHEL BANCORP AND SUBSIDIARIES

Exhibit 11. Statement Regarding Computation of Per Share Earnings

	Three Months Ended March 31, 1995	Three Months Ended March 31, 1994
EQUIVALENT SHARES:		
Average Shares Outstanding	547,400	544,911
Total Equivalent Shares	547,400	544,911
Total Primary Shares	611,478	569,466
Total Fully Diluted Shares	728,360	630,793
Net Income	$ 408,073	$ 352,141
Less Preferred Stock Dividend	35,000	35,000
Net Income after Preferred Dividend	$ 373,073	$ 317,141
Primary Earnings Per Share	$ 0.61	$ 0.56
Fully Diluted Earnings Per Share	$ 0.56	$ 0.56

	Nine Months Ended March 31, 1995	Nine Months Ended March 31, 1994
EQUIVALENT SHARES:		
Average Shares Outstanding	547,400	543,750
Total Equivalent Shares	547,400	543,750
Total Primary Shares	614,269	565,001
Total Fully Diluted Shares	731,151	615,669
Net Operating Income before Change in Accounting Principle	$ 1,220,898	$ 1,007,409
Cumulative Effect of Change in Accounting Principle	0	260,000
Net Income	1,220,898	1,267,409
Less Preferred Stock Dividend	104,999	69,999
Net Income after Preferred Dividend	$ 1,115,899	$ 1,197,410
Primary Earnings Per Share on Net Operating Income	$ 1.82	$ 1.66
Fully Diluted Earnings Per Share on Net Operating Income	$ 1.67	$ 1.64
Primary Earnings Per Share on the Change in Accounting Principle	$ 0.00	$ 0.46
Fully Diluted Earnings Per Share on the Change in Accounting Principle	$ 0.00	$ 0.42
Primary Earnings Per Share on Net Income	$ 1.82	$ 2.12
Fully Diluted Earnings Per Share on Net Income	$ 1.67	$ 2.06

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BETHEL BANCORP
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9-MOS
JUN-30-1995
JUL-01-1994
MAR-31-1995
3,304,031
623,466
4,437,677
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2,530,000