CAPITAL PURCHASE PROGRAM (CPP) LENDING REPORT

Name of institution: Northway Financial, Inc. (Institution UST Sequence Number 581)
Person to be contacted about this report: Richard P. Orsillo, Senior Vice President and Chief Financial Officer
Submission date: April 28, 2009

RSSD (for Bank Holding Companies): 2582827
Holding Company Docket Number (for Thrift Holding Companies):
FDIC Certificate Number (for depository institutions):

LENDING ACTIVITY (Thousands $)	2009 FEB	2009 MAR	Key	Comments
1. Loan Balances				
a. Average Consumer Loans	$251,485	$245,706	Internal Reporting - includes residential mortgage loans, fixed equity loans, home equity lines of credit, consumer loans, overdrafts, overdraft protection, and collateral loans	For the month of February 2009 residential mortgage loans originated totaled $12.0 million of which residential mortgage loans totaling $10.8 million were sold to FHLMC. For the month of March 2009 residential mortgage loans originated amounted to $8.3 million of which residential mortgage loans totaling $7.3 million were sold to FHLMC. Due to the current rate environment it was Northway's strategy to sell mortgages originated to FHLMC rather than hold in portfolio, resulting in the $5.8 million decrease in average consumer loan balances from February to March 2009.
b. Average Commercial Loans	$299,140	$301,211	Internal Reporting - includes commercial real estate loans, commercial loans and loans to municipalities	**During February and March 2009 new money disbursed totaled $10.9 million and $3.5 million, respectively. Average commercial loans increased $2.1 million from February to March.**
c. Total Loans (sum of lines a and b)	$550,625	$546,917		

2. General Market Commentary (optional)