

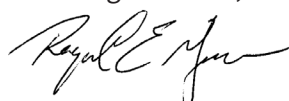
# Statement of Condition

JUNE 2016

I am proud to report that Claremont Savings Bank continues to be a strong financial institution serving our communities of Claremont and Charlestown, New Hampshire and Springfield, Vermont. We have grown our Assets to \$383 million as of June 30, 2016. We have increased Loans and Investments by 5% from June 30, 2015 and increased Deposits by 7.7%. Our focus on business development and customer service is producing positive results. The Bank continues to be extremely well-capitalized with Capital of \$54 million, equal to a 14% capital ratio and well above regulatory requirements.

Through the first six months of 2016 the Bank had Net Interest Income of \$6.1MM, an increase of 5% from the year-earlier period. A portion of this increase is the result of our purchase of the branch in Springfield. The growth in earning assets more than offset the continued decline in our net interest margin. Our credit quality continues to improve and the Provision for Loan Losses was \$65,000 compared to \$133,600 in the year-earlier period.

Non-Interest Income was down slightly from the year-earlier period and Non-Interest Expense increased by 2.9%. We recognized Gains on the Sale of Securities of \$533,756, compared to gains of \$921,479 in the year-earlier period. We had an extraordinary gain of \$259,022 in the first half of 2016 from the sale of our Maple Avenue branch property. Net Income was \$1.2 million through June 30, 2016 compared to \$1.1 million in the year-earlier period.



Reggie Greene  
President & CEO

## INCOME STATEMENT

|                                       | Six Months<br>June 30, 2016 | Six Months<br>June 30, 2015 |
|---------------------------------------|-----------------------------|-----------------------------|
| Total Interest Income                 | \$7,019,371                 | \$6,590,320                 |
| Total Interest Expense                | (943,343)                   | (808,603)                   |
| <b>Net Interest Income</b>            | <b>\$6,076,028</b>          | <b>\$5,781,717</b>          |
| Provision for Loan Losses             | (65,000)                    | (133,600)                   |
| Non-Interest Income                   | 1,049,279                   | 1,143,000                   |
| Non-Interest Expense                  | (6,404,933)                 | (6,226,629)                 |
| Gain on Sale of Securities            | 533,756                     | 921,479                     |
| <b>Pre-Tax Income</b>                 | <b>\$1,189,130</b>          | <b>\$1,485,967</b>          |
| Income Taxes                          | (269,224)                   | (312,153)                   |
| Net Income before Extraordinary Items | 919,906                     | 1,173,814                   |
| Extraordinary Items                   | 259,022                     | (80,479)                    |
| <b>Net Income</b>                     | <b>\$1,178,928</b>          | <b>\$1,093,335</b>          |

## BALANCE SHEET

|                       | Six Months<br>June 30, 2016 | Six Months<br>June 30, 2015 |
|-----------------------|-----------------------------|-----------------------------|
| Cash & Due from Banks | \$5,851,062                 | \$4,729,811                 |
| Bonds                 | 56,794,445                  | 42,797,117                  |
| Stocks                | 19,433,941                  | 18,030,024                  |
| Loans                 | 285,008,579                 | 282,532,493                 |
| Other                 | 16,159,318                  | 14,541,234                  |
| <b>Total</b>          | <b>\$383,247,345</b>        | <b>\$362,630,679</b>        |
| Deposits              | 296,034,423                 | 274,846,596                 |
| Miscellaneous         | 33,062,602                  | 36,772,762                  |
| Capital               | 54,150,320                  | 51,011,321                  |
| <b>Total</b>          | <b>\$383,247,345</b>        | <b>\$362,630,679</b>        |

Claremont Savings Bank

 EQUAL HOUSING LENDER MEMBER FDIC