

# Statement of Condition



**FEBRUARY 2017**

2016 was a productive year for Claremont Savings Bank as the efforts we put into business development and customer service are generating strong results. Customer deposits grew by 5.8% to \$293 million. We used those deposits to increase loans outstanding by \$12.6 million (4.6% growth) to \$294 million and added \$3.7 million to our investment portfolio. We reduced our borrowings from the Federal Home Loan Bank of Boston by \$2.5 million and increased our capital by \$2.5 million. We have the highest capital ratio of our peer group at 13.8%.

We continue to see a decrease in our net interest margin (the difference between the interest rate we receive on our loans and investments and what we pay to our depositors) and lost another 9 basis points (.09%) in 2016. Nevertheless, due to the growth in loans and investments, we were able to increase Net Interest Income by 2.8% to \$12 million. Non-Interest Income (fees on accounts, Claremont Financial Services, etc.) was flat in 2016 at \$2.2 million. Non-Interest Expense (salaries and benefits, premises, information technology, etc.) was kept level in 2016 due primarily to reduced marketing and OREO (Other Real Estate Owned) expense. We took \$349,000 less in securities gains in 2016. This was offset by a \$259,000 gain on the sale of our former branch on Maple Avenue. Net income for the year was \$2.1 million, up from \$1.8 million in 2015.

Claremont Savings Bank begins 2017 with a strong, well-positioned balance sheet. We look forward to supporting the growth in our markets by taking in deposits and making loans to individuals and businesses; and by making donations and volunteering at local charities and non-profits. I am excited to be starting my first full year as President of the Bank.

Reggie Greene  
President & CEO

## INCOME STATEMENT

	Twelve Months Dec 31, 2016	Twelve Months Dec 31, 2015
Total Interest Income	\$14,080,887	\$13,527,798
Total Interest Expense	(1,939,452)	(1,719,505)
<b>NET INTEREST INCOME</b>	<b>12,141,435</b>	<b>11,808,293</b>
Provisions for Loan Losses	(256,000)	(175,700)
Non-Interest Income	2,179,618	2,173,362
Non-Interest Expense	(12,588,267)	(12,599,154)
Gain on Sale of Securities	819,042	1,168,859
<b>PRE-TAX INCOME</b>	<b>2,295,828</b>	<b>2,375,660</b>
Income Taxes	(479,916)	(465,232)
Net Income before Extraordinary Items	1,815,912	1,919,428
Extraordinary Items	259,022	(82,074)
<b>NET INCOME</b>	<b>2,074,934</b>	<b>1,837,354</b>

## BALANCE SHEET

	Dec 31, 2016	Dec 31, 2015
Cash & Due from Banks	\$8,673,883	\$10,811,199
Bonds	52,882,313	50,331,378
Stocks	20,313,417	19,198,230
Loans	294,349,169	281,735,652
Other	14,890,486	14,380,586
<b>TOTAL</b>	<b>391,109,268</b>	<b>376,457,045</b>
Deposits	293,213,201	278,892,195
Borrowings	40,500,000	43,000,000
Other Liabilities	3,454,138	3,139,030
Capital	53,941,929	51,425,820
<b>TOTAL</b>	<b>391,109,268</b>	<b>376,457,045</b>