

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)
NET INTEREST INCOME	12,141,435	11,808,293
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
PRE-TAX INCOME	2,295,828	2,375,660
Income Taxes	(479,916)	(465,232)
Net Income before Extraordinary Items	1,815,912	1,919,428
Extraordinary Items	259,022	(82,074)
NET INCOME	2,074,934	1,837,354

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
TOTAL	391,109,268	376,457,045
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
TOTAL	391,109,268	376,457,045