

2017

ANNUAL REPORT

a strong
foundation
for a bright future

The Seacoast's own
community bank



FEDERAL SAVINGS
— **BANK** —





FEDERAL SAVINGS
BANK

8:45

Greetings.

With asset growth of \$29.3 million, the successful launch of our new website, and a thorough remodel of our branch in Barrington, we're pleased to report that 2017 was another strong year for Federal Savings Bank—one marked by significant change for the organization and its people.

Change can be a good thing. When the Dover Co-Operative Savings Fund and Loan Association first opened in 1890, it changed the landscape of banking, giving local people a strong new option for building their nest egg and financing their dreams. Over the decades, the Bank grew and changed, continually staying ahead of what people on the Seacoast needed and expected from a community bank. It introduced new services, new branches, and—transaction by transaction, relationship by relationship—Federal Savings Bank earned its title as the Seacoast's Own Community Bank.

In that time, Federal Savings Bank has had 14 presidents. Each of them provided insight and leadership in their own way. Now, in 2018, we see another change as Jay O'Neill prepares to retire this spring after 11 years in leadership and 24 years at the Bank. Jim Brannen, who has served FSB as Chief Financial Officer since he arrived in 2007, assumed the role of President on January 25, 2018 and will become Chief Executive Officer on May 17, 2018, Jay's last day at FSB.

Obviously, this is a big change for Jay, who heads off to his next adventure after an accomplished career. And it represents a new opportunity for Jim, who has been preparing for years alongside Jay to assume this responsibility. Jay and Jim share core values and a love of the people and communities FSB serves, so you'll find a strong sense of continuity and a seamless transition.

While a change in leadership is always significant, what's more significant is all that's staying the same: FSB's talented, dedicated staff who are ultimately responsible for our success. Our accomplished Board members, who provide invaluable insight. And our unwavering commitment as a true community bank to helping you accomplish your own goals, build your own business, and live your own life with banking that's responsive and effective. As Federal Savings Bank begins its next chapter, you can count on all of us to be there for you, day in and day out.



James J. O'Neill, Jr.
Chief Executive Officer



James R. Brannen
President



James J. "Jay" O'Neill (left) and James R. Brannen

Community Support

In 2017, Federal Savings Bank donated \$200,000 to over 165 organizations throughout the Seacoast area, helping to improve the quality of life in the communities we serve.



The primary purpose of the Foundation is to provide financial support to charitable organizations that are dedicated to improving the quality of life in the New Hampshire Seacoast area, with emphasis on organizations providing services for low- to moderate-income individuals and families. By focusing on charitable works, the Foundation magnifies the positive impact we already have and expands our reach.

Healthcare

Cornerstone VNA
Families First Health & Support Center
Frisbie Memorial Hospital
Goodwin Community Health
Hope on Haven Hill
Huntington's Disease Society
Krepfels Center
My Breast Cancer Support
Wentworth Douglass Hospital & Health Foundation
Zebra Crossings

Food/Shelter

Barrington Community Food Pantry
Community Food Pantry
Cornucopia Food Pantry
Cross Roads House
Dover Friendly Kitchen
End 68 Hours of Hunger
Gather
Seacoast Family Food Pantry
Southeast NH Habitat for Humanity
Texas Bankers Foundation
Hurricane Harvey Relief
The Housing Partnership

Arts & Entertainment

Arts In Reach
New Hampshire Public Television
Prescott Park Arts Festival

Education

Oyster River Parents of Preschoolers
Seacoast Community School
SEED
UNH Tech Camp

Kids & Families

Big Brothers Big Sisters
of NH

Child Advocacy Center of
Rockingham County

Child Voice

Dover Children's Center

Dover Children's Home

Farmington 500

Boys & Girls Club

NH JumpStart Coalition

Seacoast YMCA

Seeds of Faith

Seymour Osman

Community Center

The Children's Museum
of New Hampshire

YMCA of Strafford County

Miscellaneous

Cocheco Valley
Humane Society

Community Action Partnership
of Strafford County

Community Partners

Dover Main Street

Dover Police Charities, Inc.

Dover Rotary Charities

Friends Forever, Inc.

Great Bay Stewards

Greater Dover Chamber
of Commerce

Greater Portsmouth Chamber
of Commerce

Greater Rochester Chamber
of Commerce

Greater Somersworth Chamber
of Commerce

Kiwanis Club Of Dover

Lydia's House of Hope

NH Community Loan Fund

Operation Blessing

Oyster River Womenade

Players Ring

Rochester Crime Line

Rochester Main Street

Rochester Rotary Charities

SCORE

Strafford County

Board of Realtors

Seacoast Board of Realtors

Strawbery Banke Museum

The Journey Church

Triangle Club

United Way of the Greater
Seacoast

Woodman Museum

A Tradition of Change: Introduction of Online Banking

Federal Saving Bank debuted online banking in 2000, launching a new era in banking for FSB customers, who today have access to a world of banking options from home or anywhere they travel, on their smartphones.



Eagles in Action

Federal Savings Bank employees are encouraged to become actively involved in the communities we serve. The Bank allows employees paid hours each year to volunteer for non-profit organizations in the Seacoast area.

FSB EMPLOYEES DONATED
500+ VOLUNTEER HOURS &
\$19,700 TO THE UNITED WAY OF
THE GREATER SEACOAST



RAISED **\$6,700** FOR
FOUR DIFFERENT
CHARITIES

FSB EMPLOYEES PARTICIPATED IN
10 ROAD RACES
THIS YEAR, RUNNING OVER
300 COMBINED MILES
FOR GREAT CAUSES



DURING THE
SEACOAST AREA'S
LARGEST FOOD
DRIVE, WE
COLLECTED OVER
30,000 CANS
OF FOOD THAT
WERE DONTATED
TO **20** LOCAL
NONPROFITS

A Tradition of Change: Introducing the New FSB Website

Our website saw a complete reinvention in 2017, with updated content and a brand-new, eye-catching design that's responsive for easy display on mobile devices. See the entire new site for yourself at www.fsbdover.com.



A Tradition of Change: A New Look for Barrington

We demonstrated our deep-rooted commitment to Barrington in 2017 with an extensive remodeling of our branch there to make community banking in Barrington more appealing than ever before.



Financial Report

Statement of Condition

(in thousands) for the Period Ending December 31:

Assets	2017	2016
Cash on Hand & In Banks	\$5,650	\$7,767
Investments & Securities	\$37,042	\$38,332
Loans		
Residential Loans	\$189,387	\$164,095
Commercial Loans	\$104,403	\$95,860
Consumer Loans	\$13,505	\$15,166
Less Reserve for Loan Losses	(\$2,804)	(\$2,677)
Net Loans	\$304,491	\$272,444
Land, Buildings and Equipment	\$5,944	\$5,107
Net Other Assets	\$6,620	\$6,725
Total Assets	\$359,747	\$330,375
<b style="border-bottom: 1px solid black;">Liabilities & Capital	<b style="border-bottom: 1px solid black;">2017	<b style="border-bottom: 1px solid black;">2016
Deposit & Escrow Accounts	\$250,529	\$246,167
Total Borrowings	\$72,225	\$50,131
Other Liabilities	\$5,095	\$3,170
Total Liabilities	\$327,849	\$299,468
Total Capital	\$31,898	\$30,907
Total Liabilities & Capital	\$359,747	\$330,375

Income Statement

(in thousands) for the Period Ending December 31:

Income	2017	2016
Interest Income on Loans & Investments	\$12,600	\$11,489
Interest Expense on Deposits & Borrowings	\$1,820	\$1,501
Net Interest Income	\$10,780	\$9,988
Provision for Loan Losses	\$160	\$40
Adjusted Net Interest Income	\$10,620	\$9,948
Total Non-Interest Income	\$1,815	\$1,549
Total Non-Interest Expense	\$10,822	\$10,065
Income Before Taxes	\$1,613	\$1,432
Income Tax Expense	\$701	\$430
Net Income	\$912	\$1,002

A Tradition of Change: A New Bank Arrives

In 1890, banking was changed forever on the Seacoast with the formation of the Dover Co-Operative Savings Fund and Loan Association, dedicated to serving local people, and later to become Federal Savings Bank.





Michael J. Bolduc



Dana C. Lynch

Board of Directors

2017 Chairman:

Michael J. Bolduc

2018 Chairman:

Dana C. Lynch

2018 Vice Chairman:

Thomas “TJ” Jean

Patricia Barbour

James Jalbert

James J. O’Neill, Jr.

James Schulte

Janet Sylvester

Officers

James J. O’Neill, Jr.
Chief Executive Officer

James R. Brannen
President & Chief Financial Officer

Timothy F. Dargan
*Senior Vice President,
Senior Commercial Loan Officer*

Jean Tremblay
*Vice President, Loan Administration &
Enterprise Risk Management*

Brad Barbin
*Vice President,
Information Technology*

Jennifer Stauffis
*Vice President, Finance & Senior Retail
Operations Officer*

Susan L. Brown
*Vice President, Compliance &
Internal Audit*

James C. McKenna
*Vice President,
Financial Advisor*

Tiffany Melanson
*Vice President, Marketing &
Public Relations*

M. Chantal Upton
*Vice President,
Sales & Training*

John Crisp
*Vice President,
Commercial Portfolio Manager*

Pamela J. Bishop
*Vice President,
Commercial Loan Officer*

Paul Bergeron
*Vice President,
Commercial Loan Officer*

Sharla Rollins
*Assistant Vice President, Branch
Administrator/Rochester Branch Manager*

Katie Buote
Barrington Branch Manager

Norlaila K. Miller
Portsmouth Branch Manager

Zachary Zwicker
Dover Branch Manager

Gina DeNuzzio
Durham Branch Manager

Coralie O’Brien
Mortgage Loan Officer

Eric Cournoyer
Mortgage Loan Officer

Cheryl Thompson
*Assistant Vice President,
Business Development Officer*

Valerie Dyer
*Assistant Vice President,
Business Development Officer*

Locations



Dover

633 Central Avenue*
Dover, NH 03820
603-742-4680

Lobby:

Monday - Friday:
9:00am - 5:00pm
Saturday:
8:30am - 12:30pm

Drive-up:

Monday - Thursday:
8:00am - 5:00pm
Friday:
8:00am - 6:00pm
Saturday:
8:30am - 12:30pm



Barrington

6 Eastern Avenue*
Barrington, NH 03825
603-664-9327

Lobby:

Monday - Friday:
9:00am - 5:00pm
Saturday:
8:30am - 12:30pm

Drive-up:

Monday - Thursday:
8:30am - 5:00pm
Friday:
8:30am - 6:00pm
Saturday:
8:30am - 12:30pm



Rochester

17 Wakefield Street*
Rochester, NH 03867
603-332-3740

Lobby:

Monday - Friday:
9:00am - 5:00pm
Saturday:
8:30am - 12:30pm

Drive-up:

Monday - Thursday:
8:30am - 5:00pm
Friday:
8:30am - 6:00pm
Saturday:
8:30am - 12:30pm



Durham

7A Mill Road*
Durham, NH 03824
603-868-1111

Lobby:

Monday - Friday:
9:00am - 5:00pm
Saturday:
8:30am - 12:30pm



Portsmouth

1650 Woodbury Avenue*
Portsmouth, NH 03801
603-431-2212

Lobby:

Monday - Friday:
9:00am - 5:00pm
Saturday:
8:30am - 12:30pm

Drive-up:

Monday - Thursday:
8:30am - 5:00pm
Friday:
8:30am - 6:00pm
Saturday:
8:30am - 12:30pm

One Market Square*
(ATM only)

*ATM Locations

Customer Care Center

Monday - Friday: 8:00am - 6:00pm
Saturday: 8:00am - 1:00pm
603-742-4680
Toll free: 800-462-2265
customer care@fsbdover.com



55,000+ fee-free ATMs
worldwide, locations at
Allpointnetwork.com



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community bank



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