



# 2016 ANNUAL REPORT

**YOUR OWN WAY.  
YOUR OWN BANK.**



The Seacoast's own  
community bank



**FEDERAL SAVINGS**  
— **BANK** —







# Greetings.

I'm happy to report that, once again, 2016 was a strong year for the Seacoast region and for Federal Savings Bank. We achieved asset growth of \$18.75 million (6%). We launched mobile business banking and a new online platform for business. And we invested resources and hundreds of employee hours in service to our communities through the FSB Charitable Foundation. It's all part of being the Seacoast's own community bank.

I'll say it again. *The Seacoast's own community bank.* While we often highlight the spirit of the Seacoast, and the boundless potential of our communities, I'd like to focus on the word "own." A true community bank belongs to the communities and people it serves. I mean this both figuratively and literally. We're a mutual bank, owned by our depositors—people just like you. But because we work for the benefit of our entire region, because we're so proudly local, in a sense we belong to everyone here.

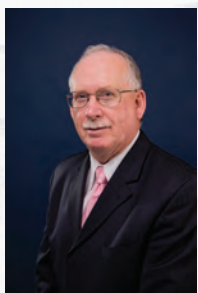
"Own" also suggests individual choice—to live your own life, on your own terms. That's something we appreciate at FSB. We're committed to working with you as an individual, with your own banking preferences and your own goals for your money. More than ever, choice and flexibility are essential to banking customers. You expect your bank to be where you are, when you need it. We get it. That's why we're dedicated to introducing tools and services that let you bank on your own time, in your own way.

Online banking. Bill pay. eStatements. Our mobile banking app. Mobile deposit. Apple pay. Text banking. PopMoney person-to-person payments. Smart chip debit cards. And our connection to the surcharge-free 55,000+ Allpoint ATM network. Every one of these technologies is designed to make banking a more convenient, seamless part of your daily life.

If you're buying your own home. If you're building your own business. If you're forging your own path. If you feel a connection to your own community. We're proud to be your own bank.

When I say "we," I refer to dozens of customer service representatives, bank managers, operations staff members, residential and commercial lenders, Board Members, and so many others in Barrington, Dover, Durham, Portsmouth, and Rochester who are dedicated to helping you bank in your own way. I thank all of them, and I thank you for your support.

Sincerely,



A handwritten signature in black ink, reading "James J. O'Neill, Jr." in a cursive script.

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



# 2016 Donations

In 2016, Federal Savings Bank donated over \$155,000 to over 75 organizations throughout the Seacoast area, helping to improve the quality of life in the communities we serve.



## Kids & Families

Barrington Youth Association  
Big Brothers Big Sisters of  
the Greater Seacoast  
Child Advocacy Center of  
Rockingham County  
Children's Museum of NH  
Daniel Webster Council  
Dover Children's Center

Dover Children's Home  
Farmington Boys and Girls Club  
NH Jumpstart Coalition  
Seeds of Faith  
Seymour Osman  
Community Center  
The Granite YMCA



## Education

Barrington Public Library  
Childlight Montessori  
College Scholarships (7) for  
Local High Schools  
Saint Mary Academy  
Seacoast Community School  
UNH Tech Camp



## Miscellaneous

Cocheco Valley Humane Society  
Community Action Partnership  
of Strafford County  
Community Partners  
Dover Main Street  
Dover Rotary Charities  
Durham Parks & Recreation  
Friends of Bedrock Gardens  
Great Bay Rotary  
Greater Barrington Chamber  
of Commerce  
Greater Dover Chamber  
of Commerce  
Greater Portsmouth Chamber  
of Commerce

Greater Rochester Chamber  
of Commerce  
Greater Somersworth Chamber  
of Commerce NH Community  
Loan Fund  
NH Farm Museum  
Rochester Grange 86  
Rochester Main Street  
Rochester Rotary Charities  
Roger Allen Recreation  
Association  
SCORE  
Seacoast Board of Realtors  
Strafford County Board  
of Realtors

Strawbery Banke Museum  
The Rochester Fair  
Triangle Club  
United Way of the  
Greater Seacoast  
Woodman Museum  
YMCA of Strafford County



## Healthcare

Cornerstone VNA  
Families First Health & Support Center  
Friends of Hyder Family Hospice House  
Frisbie Memorial Hospital Auxiliary  
Goodwin Community Health  
Hope on Haven Hill  
Krempels Center  
Make Big Change  
My Breast Cancer Support  
Seacoast Cancer Center  
Wentworth-Douglass Hospital Foundation  
Zebra Crossings



## Food/Shelter

Barrington Food Pantry  
Cross Roads House  
End 68 Hours of Hunger  
Operation Blessing  
Seacoast Family Food Pantry  
Southeast NH  
Habitat for Humanity  
The Housing Partnership



## Arts & Entertainment

Arts In Reach  
Granite State Choral Society  
Homeschool Theatre Guild  
NH Public Television  
Northeastern Ballet Theatre  
Prescott Park Arts Festival  
Rochester Opera House  
The Players' Ring



## Uniformed Service Personal

American Legion Post 114  
Dover Police Charities  
Durham Police Officers Union  
Rochester Police Benevolence



**FSB**  
— CHARITABLE FOUNDATION —

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.



# Eagles in Action

FSB EMPLOYEES DONATED  
**500+** VOLUNTEER HOURS &  
**\$11,500** TO THE UNITED WAY OF  
THE GREATER SEACOAST



**RAISED \$7,500**  
FOR FOUR  
DIFFERENT  
CHARITIES

FSB EMPLOYEES PARTICIPATED IN  
**5 ROAD RACES**  
THIS YEAR, RUNNING OVER  
**150 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 **21** LOCAL  
NONPROFITS







# Financial Report

## Statement of Condition

(in thousands) for the Period Ending December 31, 2016

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash on Hand & In Banks . . .	\$7,767 . . . . .	\$5,390
Investments & Securities . . .	\$38,332 . . . . .	\$33,082
<b>Loans</b>		
Residential Loans . . . . .	\$164,095 . . . . .	\$156,748
Commercial Loans . . . . .	\$95,860 . . . . .	\$95,084
Consumer Loans . . . . .	\$15,166 . . . . .	\$12,984
Less Reserve for Loan Losses . . . . .	(\$2,677) . . . . .	(\$2,731)
<b>Net Loans</b> . . . . .	<u>\$272,444 . . . . .</u>	<u>\$262,085</u>
Land, Buildings and Equipment . . . . .	\$5,107 . . . . .	\$4,782
Net Other Assets . . . . .	\$6,725 . . . . .	\$6,241
<b>Total Assets</b> . . . . .	<u><u>\$330,375 . . . . .</u></u>	<u><u>\$311,580</u></u>
<b><u>Liabilities &amp; Capital</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Deposit & Escrow Accounts	\$246,167 . . . . .	\$228,320
Total Borrowings . . . . .	\$50,131 . . . . .	\$50,234
Other Liabilities . . . . .	\$3,170 . . . . .	\$2,744
<b>Total Liabilities</b> . . . . .	<u><u>\$299,468 . . . . .</u></u>	<u><u>\$281,298</u></u>
Total Capital . . . . .	\$30,907 . . . . .	\$30,282
<b>Total Liabilities &amp; Capital</b> .	<u>\$330,375 . . . . .</u>	<u>\$311,580</u>

## Income Statement

(in thousands) for the Period Ending December 31, 2016

<u>Income</u>	<u>2016</u>	<u>2015</u>
Interest Income on Loans & Investments . . . . .	<u>\$11,489 . . . . .</u>	<u>\$11,293</u>
Interest Expense on Deposits & Borrowings . . . .	\$1,501 . . . . .	\$1,069
<b>Net Interest Income</b> . . . . .	<u><u>\$9,988 . . . . .</u></u>	<u><u>\$10,224</u></u>
Provision for Loan Losses . . . . .	\$40 . . . . .	(\$60)
Adjusted Net Interest Income . . . . .	\$9,948 . . . . .	\$10,284
Total Non-Interest Income . . . .	<u>\$1,549 . . . . .</u>	<u>\$1,616</u>
Total Non-Interest Expense . . .	<u>\$10,065 . . . . .</u>	<u>\$10,342</u>
Income Before Taxes . . . . .	\$1,432 . . . . .	\$1,558
Income Tax Expense . . . . .	<u>\$430 . . . . .</u>	<u>\$479</u>
<b>Net Income</b> . . . . .	<u><u>\$1,002 . . . . .</u></u>	<u><u>\$1,079</u></u>





Patricia Barbour



Michael J. Bolduc

## Board of Directors

### 2016 Chairman:

Patricia Barbour

### 2017 Chairman:

Michael J. Bolduc

### 2017 Vice Chairman:

Dana C. Lynch

James Jalbert

Thomas “TJ” Jean

James J. O’Neill, Jr.

James Schulte

Janet Sylvester

### Corporate Secretary:

Kristen Collins

## Officers

James J. O’Neill, Jr.  
*President & CEO*

James Brannen  
*Executive Vice President & CFO*

Tim Dargan  
*Senior Vice President,  
Senior Lending Officer*

Brad Barbin  
*Vice President,  
Information Technology*

Paul Bergeron  
*Vice President,  
Commercial Lending*

Pamela J. Bishop  
*Vice President,  
Commercial Lending*

Susan Brown  
*Vice President,  
Compliance and Internal Audit*

Kristen Collins  
*Vice President,  
Human Resources*

John Crisp  
*Vice President,  
Commercial Portfolio Manager*

Candace Henderson  
*Vice President,  
Senior Retail Lending Officer*

James C. McKenna  
*Vice President,  
FSB Wealth Management*

Tiffany Melanson  
*Vice President,  
Marketing & Public Relations*

William Sawyer  
*Vice President,  
Work-Out Officer*

Jennifer Stauffis  
*Vice President,  
Finance Officer & Treasurer*

Jean Tremblay  
*Vice President,  
Retail/Consumer Lending*

Thomas Wilhelm  
*Vice President,  
Loan Operations*

Cheryl Thompson  
*Assistant Vice President,  
Business Development*

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

Valerie Dyer  
*Assistant Vice President,  
Business Development*

Barbara Graziano  
*Assistant Vice President,  
BSA Officer/Durham Branch Manager*

Andrew Mihachik  
*Assistant Vice President,  
Commercial Credit Analyst*

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

Eric Cournoyer  
*Retail Loan Officer*

Coralie O’Brien  
*Retail Loan Officer*

John G. Kelly  
*Retail Loan Officer*

Donna McGurren  
*Loan Officer*

Katie Buote  
*Barrington Branch Manager*

Jessica Koukis  
*Dover Branch Manager*

Norlaila K. Miller  
*Portsmouth Branch Manager*

Matthew Voltz  
*Customer Care Center Manager*

Ted A. Baker  
*FSB Wealth Management*



# Locations



## **Dover**

633 Central Avenue\*  
Dover, NH 03820  
603-742-4680  
FAX 603-742-7905

### **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



## **Durham**

7A Mill Road\*  
Durham, NH 03824  
603-868-1111  
FAX 603-868-5107

### **Lobby:**

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



## **Barrington**

6 Eastern Avenue\*  
Barrington, NH 03825  
603-664-9327  
FAX 603-664-9109

### **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



## **Portsmouth**

1650 Woodbury Avenue\*  
Portsmouth, NH 03801  
603-431-2212  
FAX 603-436-6095

### **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)



## **Rochester**

17 Wakefield Street\*  
Rochester, NH 03867  
603-332-3740  
FAX 603-332-3974

### **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

## **\* ATM Locations**

### **Toll-free**

1-800-462-2265

### **Customer Care Center**

Monday - Friday: 8:00am - 6:00pm  
Saturday: 8:00am - 1:00pm  
603-742-4680  
Toll free: 800-462-2265  
[customercare@fsbdover.com](mailto:customercare@fsbdover.com)



55,000+ fee-free ATMs  
worldwide, locations at  
[Allpointnetwork.com](http://Allpointnetwork.com)







The Seacoast's own  
community bank



**FEDERAL SAVINGS**  
— **BANK** —