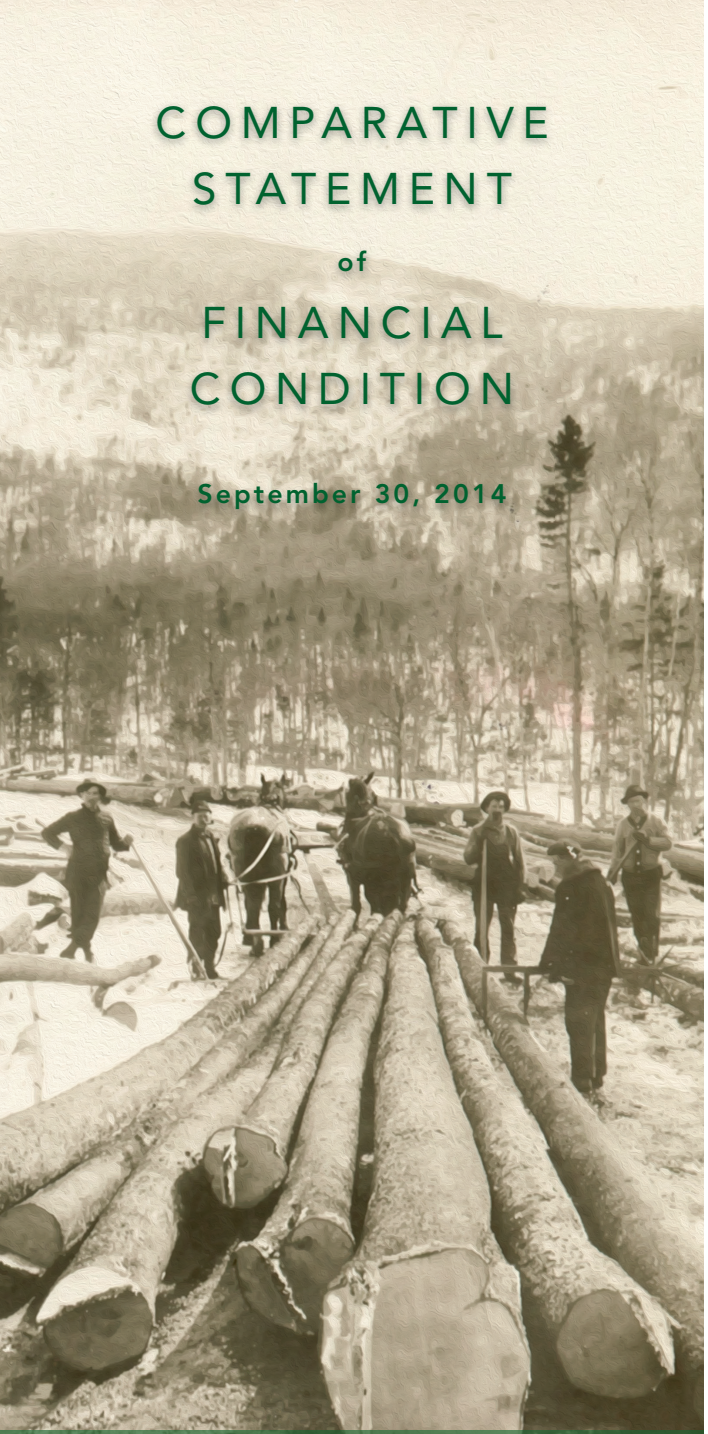
COMPARATIVE STATEMENT of FINANCIAL CONDITION

September 30, 2014



FIRST COLEBROOK BANCORP, INC.

Dear Shareholder,

Consolidated (unaudited) financial results for the nine months ending September 30, 2014 reports net income before preferred dividends of $983,558 compared to $1,009,919 for the same period a year ago.

The low rate environment continued to affect interest income. For the nine months ending September 30, 2014 total interest and dividend income declined to $7,181,027 from $7,314,238 a year ago. The $133,211 decline in interest and dividend income was offset by a lower interest expense of $117,432 and a reduction in loan loss expense of $278,646. September 30, 2014 noninterest income is $164,875 behind a year ago due in large part to the reduced loan volume in secondary market residential loans. Noninterest expense increased only 2.08% reflecting continued efforts to control costs.

Loans and deposits increased from a year earlier. Loans increased $12,335,387 or 6.84%. The increase centered in commercial loan originations. Total deposits increased 1.05% from September 30, 2013 to the nine months ending September 30, 2014. Total assets for the nine months ending September 30, 2014 stood at $265,684,084 compared to $263,855,507 for the same period in 2013.

Total stockholders' equity increased to $28,133,773 for the nine months ending September 30, 2014; up $1,370,172 from the same period a year ago where it stood at $26,763,601. Earnings per common share were $1.23 for the nine months ending September 30, 2014 compared to $1.26 for the same period in 2013. The book value per common share for the nine months ending September 30, 2014 increased to $26.04 from the $24.33 book value per common share as of September 30, 2013.

Looking ahead, business loan demand remains steady with the expectation of growth through year end. We expect interest rates will remain low which continues to put pressure on net interest margin.

All of us at First Colebrook Bank appreciate your investment. Please do not hesitate to contact me at 603-237-7026 or ldollins@firstcolebrookbank.com with any comments or questions.

Sincerely,

Loyd W. Dollins
President and Chief Executive Officer

First Colebrook Bancorp, Inc.

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Jonathan S. Frizzell
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Consolidated Balance Sheets

ASSETS	SEPTEMBER 30 2014	2013
Cash and due from banks	$9,705,579	$18,564,869
Federal funds sold and overnight deposits	188,736	24,667
	9,894,315	18,589,536
Interest-bearing time deposits with other banks	4,961,000	10,405,000
Investments in available-for-sale securities (at fair value)	44,886,756	41,483,645
Federal Home Loan Bank stock, at cost	751,100	632,900
Loans, net	192,671,557	180,336,170
Premises and equipment, net	5,033,932	4,419,391
Accrued interest receivable	625,202	594,248
Cash surrender value of life insurance policies	3,729,274	3,616,735
Other assets	3,130,948	3,777,882
TOTAL ASSETS	$265,684,084	$263,855,507
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing	43,687,999	37,652,032
Interest-bearing	183,580,576	187,251,674
TOTAL DEPOSITS	227,268,575	224,903,706
Borrowings	7,000,000	9,000,000
Securities sold under agreements to repurchase	1,385,442	1,232,514
Other liabilities	1,896,294	1,955,686
TOTAL LIABILITIES	237,550,311	237,091,906
Stockholders' equity:		
Preferred stock	86	86
Common stock	1,132,461	1,129,596
Paid-in capital	11,958,353	12,008,385
Retained earnings	15,152,800	14,491,485
Treasury stock, at cost	(1,148)	(179,040)
Accumulated other comprehensive income	(108,779)	(686,911)
TOTAL STOCKHOLDERS' EQUITY	28,133,773	26,763,601
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$265,684,084	$263,855,507

Consolidated Statements of Income

NINE MONTHS ENDING	SEPTEMBER 30 2014	2013
Interest and dividend income:		
Interest and fees on loans	$6,436,094	$6,707,300
Taxable Interest on Investments	367,242	299,876
Tax-exempt Interest on Investments	297,741	268,650
Dividends on stocks	24,243	24,011
Interest on federal funds sold and overnight deposits	55,707	14,401
TOTAL INTEREST AND DIVIDEND INCOME	7,181,027	7,314,238
Interest expense:		
Interest on deposits	876,425	990,769
Interest on Borrowings	71,043	73,778
Interest on capital lease	1,412	1,883
Interest on securities sold under repurchase agreements	876	758
TOTAL INTEREST EXPENSE	949,756	1,067,188
NET INTEREST AND DIVIDEND INCOME	6,231,271	6,247,050
Provision for loan losses	10,000	288,646
Net interest and dividend income after provision for loan losses	6,221,271	5,958,404
Noninterest income:		
Service fees	388,594	397,008
Gain on sales and calls of available-for-sale securities, net	148,442	119,739
Other income	357,030	542,194
TOTAL NONINTEREST INCOME	894,066	1,058,941
Noninterest expense:		
Salaries and employee benefits, net	2,885,747	2,910,772
Occupancy expense	610,679	534,098
Equipment expense	224,128	217,693
Other noninterest expense	2,020,365	1,961,500
TOTAL NONINTEREST EXPENSE	5,740,919	5,624,063
INCOME BEFORE INCOME TAXES	1,374,418	1,393,282
Income tax expense:	390,860	383,363
NET INCOME	$983,558	$1,009,919
Earnings per share of Common Stock	$1.23	$1.26

For further information, contact Avis Brosseau,
Senior Vice President – Finance

abrosseau@firstcolebrookbank.com | 603-237-7016

For shareholder services contact the Transfer Agent

Computershare
www.ComputerShare.com/Investor
web.queries@computershare.com | 800-368-5948

Ticker Symbol: **FCNH**

Market: **OTCBB**

COLEBROOK
132 Main Street
603.237.5551

CONCORD
100 Loudon Road
603.228.1300

AMHERST
69 Route 101A
603.673.1440

PORTSMOUTH
2400 Lafayette Road
603.436.2324

Toll Free: **1.888.255.1782**

24 Hour Tele-Banking: **1.877.346.6673**

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