

FIRST COLEBROOK BANCORP, INC.

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

JUNE 30, 2015

GraniteBank

Dear Shareholder:

I am pleased to report consolidated financial results (unaudited) for the period ending June 30, 2015. Compared to the same six month period in 2014, the bank has recognized growth in loans which is essential for increased earnings.

Compared to June 30, 2014, we have seen growth in net loans from $191.4 million to $198.0 million at June 30 2015, a 3.4% increase. Deposits remained flat at $225.0 million. We also continue to see improvement in our problem loans and charge offs, which will support earnings growth as we move ahead. No funds were added to the Allowance for Loan Losses through June 30, 2015.

Net income for the quarter ending June 30, 2015 was $495,028 compared to $612,094 for the same period in 2014, a difference of $117,066. The difference is due in part to gains on the sale of securities that were reflected in the prior year's results and the rebranding expenses involved in the change of the bank's name earlier this year. The net interest margin has remained stable at 3.31% for both years.

Net income per share of common stock decreased for the comparative first six months to $.60 per share of common stock from $.76 per share a year earlier, while book value per share of common stock increased to $26.58 at June 30, 2015 from $25.55 per share a year earlier.

We are encouraged by the start to 2015. While earnings have been impacted by higher non-interest expense (rebranding) and lower non-interest income, we expect good growth to continue throughout the remainder of 2015 and, coupled with stable net interest margins, we expect net income to grow as the year progresses.

We appreciate your continued support and loyalty.

Sincerely,

Loyd W. Dollins
President and Chief Executive Officer

First Colebrook Bancorp, Inc.

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SENIOR MANAGEMENT

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Avis E. Brosseau *SVP/Finance/Corporate Secretary*
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Consolidated Balance Sheets

Unaudited

ASSETS	JUNE 30 2015	2014
Cash and due from banks	$4,933,936	$7,971,529
Federal funds sold and overnight deposits	112,934	558,470
	5,046,870	8,529,999
Interest-bearing time deposits with other banks	6,458,000	6,924,000
Investments in available-for-sale securities (at fair value)	41,245,946	46,379,099
Federal Home Loan Bank stock, at cost	751,100	866,600
Loans, net	197,950,555	191,441,836
Premises and equipment, net	4,958,508	4,863,392
Accrued interest receivable	720,012	717,727
Cash surrender value of life insurance policies	3,796,092	3,700,888
Other assets	3,468,658	3,402,132
TOTAL ASSETS	$264,395,741	$266,825,673
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non-interest-bearing	48,704,067	41,822,059
Interest-bearing	176,107,714	182,902,257
TOTAL DEPOSITS	224,811,781	224,724,316
Borrowings	8,000,000	11,500,000
Securities sold under agreements to repurchase	1,245,873	1,021,700
Other liabilities	1,802,526	1,821,927
TOTAL LIABILITIES	235,860,180	239,067,942
Stockholders' equity:		
Preferred stock	86	86
Common stock	1,123,864	1,129,461
Paid-in capital	11,957,297	11,923,713
Retained earnings	15,909,045	14,896,552
Treasury stock, at cost	-	-
Accumulated other comprehensive income	(454,732)	(192,081)
TOTAL STOCKHOLDERS' EQUITY	28,535,561	27,757,731
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$264,395,741	$266,825,673

FIRST COLEBROOK BANCORP, INC.

Consolidated Statements of Income

Unaudited

SIX MONTHS ENDING	JUNE 30 2015	2014
Interest and dividend income:		
Interest and fees on loans	$4,187,631	$4,266,138
Taxable Interest on Investments	187,604	259,628
Tax-exempt Interest on Investments	214,233	185,195
Dividends on stocks	16,709	21,075
Interest on federal funds sold and overnight deposits	43,789	35,289
TOTAL INTEREST AND DIVIDEND INCOME	4,649,966	4,767,325
Interest expense:		
Interest on deposits	507,394	591,348
Interest on borrowings	36,892	51,568
Interest on capital lease	650	982
Interest on securities sold under repurchase agreements	620	578
TOTAL INTEREST EXPENSE	545,556	644,476
NET INTEREST AND DIVIDEND INCOME	4,104,410	4,122,849
Provision for loan losses	-	10,000
Net interest and dividend income after provision for loan losses	4,104,410	4,112,849
Non-interest income:		
Service fees	257,942	265,225
Gain on sales and calls of available-for-sale securities, net	1499	124,047
Other income	263,578	237,718
TOTAL NON-INTEREST INCOME	523,019	626,990
Non-interest expense:		
Salaries and employee benefits, net	1,921,456	1,931,254
Occupancy expense	438,567	420,321
Equipment expense	175,865	150,011
Other non-interest expense	1,455,780	1,383,544
TOTAL NON-INTEREST EXPENSE	3,991,668	3,885,130
INCOME BEFORE INCOME TAXES	635,761	854,709
Income tax expense:	140,733	242,615
NET INCOME	$495,028	$612,094
Earnings per share of Common Stock	$0.60	$0.76

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Ticker Symbol: FCNH
Market: OTCQX

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