

The collage features 10 individual photographs of small business owners:

- Top Left:** A man in a blue shirt stands behind a large, blue, inflatable hot tub in a store with shelves of products in the background.
- Top Center:** A woman in a white sweater stands behind a counter in a shop, with framed pictures on the wall behind her.
- Top Right:** A man in a red and grey jacket holds up a blue jacket in a clothing store with various garments hanging on racks.
- Middle Left:** A man in a black shirt holds up a grey jacket in a workshop or garage.
- Middle Center:** A large red square containing a white outline of New England and the year "1889".
- Middle Right:** A woman in a blue jumpsuit sits at a desk in an office or retail space with framed pictures on the wall.
- Bottom Left:** A man and a woman stand in a snowy field in front of a wooden sign that reads "LAUREL RANCHOUR" and lists contact information.
- Bottom Center:** A man in a purple shirt stands in a brick oven, holding a pizza.
- Bottom Right:** A man in a blue shirt stands next to a yellow forklift in a warehouse or storage yard.
- Far Bottom Left:** A woman in a red jacket stands in front of several solar panels mounted on a trailer.

COMPARATIVE STATEMENT OF FINANCIAL CONDITION



GraniteBank

Lloyd W. Dollins
President and Chief Executive Officer

Alec McEachern
Timothy Phoenix
William Powers
Jonathan Springer
Eric Weinreib
Daniel Wilson

Consolidated Balance Sheets

Unaudited

SEPTEMBER 30

ASSETS	2016	2015
Cash and due from banks	\$11,509,808	\$8,779,889
Federal funds sold and overnight deposits	-	504,662
	11,509,808	9,284,551
Interest-bearing time deposits with other banks	27,712,000	7,461,000
Investments in available-for-sale securities (at fair value)	20,116,216	39,986,016
Federal Home Loan Bank stock, at cost	692,900	751,100
Loans, net	198,204,274	195,281,335
Premises and equipment, net	4,941,321	4,912,138
Accrued interest receivable	479,532	622,265
Cash surrender value of life insurance policies	3,928,400	3,821,635
Other assets	3,638,794	3,282,387
TOTAL ASSETS	\$271,223,245	\$265,402,427

LIABILITIES AND STOCKHOLDERS' EQUITY

Deposits:		
Noninterest-bearing	48,729,618	51,470,484
Interest-bearing	179,844,817	174,755,165
TOTAL DEPOSITS	228,574,435	226,225,649
Borrowings	10,000,000	7,000,000
Subordinated Debenture	4,855,623	-
Securities sold under agreements to repurchase	1,422,558	1,229,288
Other liabilities	1,799,133	1,908,768
TOTAL LIABILITIES	246,651,749	236,363,705
Stockholders' equity:		
Preferred stock	36	86
Common stock	1,123,864	1,123,864
Paid-in capital	6,957,347	11,957,297
Retained earnings	16,384,190	16,119,227
Treasury stock, at cost	-	-
Accumulated other comprehensive income	106,059	(161,752)
TOTAL STOCKHOLDERS' EQUITY	24,571,496	29,038,722
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$271,223,245	\$265,402,427

Consolidated Statements of Income

Unaudited

SEPTEMBER 30

NINE MONTHS ENDING	2016	2015
Interest and dividend income:		
Interest and fees on loans	\$6,500,954	\$6,370,737
Taxable Interest on Investments	204,111	272,426
Tax-exempt Interest on Investments	244,634	324,326
Dividends on stocks	25,177	30,020
Interest on federal funds sold and overnight deposits	90,597	58,652
TOTAL INTEREST AND DIVIDEND INCOME	7,065,473	7,056,161
Interest expense:		
Interest on deposits	675,926	742,385
Interest on borrowings	286,316	56,336
Interest on capital lease	171	911
Interest on securities sold under repurchase agreements	871	964
TOTAL INTEREST EXPENSE	963,284	800,596
NET INTEREST AND DIVIDEND INCOME	6,102,189	6,255,565
Provision for loan losses	150,000	-
Net interest and dividend income after provision for loan losses	5,952,189	6,255,565
Noninterest income:		
Service fees	340,620	390,447
Gain on sales and calls of available-for-sale securities, net	409,455	16,074
Other income	487,151	413,687
TOTAL NONINTEREST INCOME	1,237,226	820,208
Noninterest expense:		
Salaries and employee benefits, net	3,591,303	2,965,194
Occupancy expense	601,523	643,902
Equipment expense	328,818	261,635
Other noninterest expense	2,002,339	2,129,145
TOTAL NONINTEREST EXPENSE	6,523,983	5,999,876
INCOME BEFORE INCOME TAXES	665,432	1,075,897
Income tax expense:	115,789	255,475
NET INCOME	\$549,643	\$820,422
Earnings per share of Common Stock	\$0.48	\$1.01

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Ticker Symbol: FCNH
 Market: OTCQX

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