

## MountainOne Financial Partners

### BOARD OF TRUSTEES

Pamela B. Art	Maynard A. Hodgdon	Richard Phelps
Daniel E. Bosley - (Chairman)	John C. Holden	Robert Shalgian
Howard E. Brookner	John G. Merselis, Jr., M.D.	Bradley C. Svruga
Stephen G. Crowe, CPA	John J. O'Connor, III	

### CORPORATORS

Mary Ann Abuisi	Eileen Gloster	Helen Ouellette
Billie Lynn Allard	George R. Goethals	Richard Palmisano II
Russell Anderson	Susan W. Gold	Michael S. Patten
William Apkin	Jeffrey P. Grandchamp	Charles Perfetuo
James Art	Mary K. Grant	Felicia Pharr
Pamela B. Art	Stephen A. Green	Richard Phelps
James Bailey	Willard F. Greenwald	Susan Phippen
Sean F. Barbera	Ronald Griffin	Henry J. Pierpan
Anne Bartlett	Dean M. Grimes	Kenneth Pike
Herbert Bates	Bruce D. Grinnell	Felix A. Puccio
Ellen T. Bayliss	Pauline B. Guntlow	Leslie Reed-Evans
Daniel I. Becker	Vincent P. Guntlow	Colleen T. Reinhard
Daniel Bosley	Michael Haddad, Jr.	Denise C. Richardello
Leo Bourque	Matthew C. Harris	Denise M. Richer
Howard E. Brookner	Ruth G. Harrison	Ralph Rivkind
Diana D. Brooks	Maynard A. Hodgdon	J. Michael Roberts
Robert K. Buckwalter	Susan S. Hogan	Joseph J. Rogge
Andrew B. Budz	John C. Holden	Mireille (Mimi) Roy
Richard B. Bullett	Christina L. Howard	Jonathan B. Sabin
Daniel H. Campbell	Deborah A. Jackson-Zereski	Jacqueline Saunders
Patricia M. Campbell	Robert Jandl	Robert J. Scerbo
James L. Canavan, Jr.	Richard Jasper, Jr.	Maureen Schneider
Noreen Carey-Neville	Hulda H. Jowett	Edward Scofield
Gailanne M. Cariddi	Thomas P. Kaegi	Robert Shalgian
Robert Q. Chilson	Richard Kielman	Ann Shannon
Donald B. Clark	Stephen P. Klass	Andrea H. Shatken
Eileen M. Clark	Arthur L. Lafave	Gregory P. Shine
Paula Clough	Richard C. Lamb	Anthony M. Smeglin
Carol A. Colantuono	Teresa H. Lamb	Edwin L. Smith
Robert W. Collins	Susanne Lelyveld-Wittenberg	Robert A. Smith
Stephen G. Crowe	Albert J. LePak	William Spence
Joseph R. Daigneault	Susan Lincoln	Stephen Spigel
Richard L. DeMayo	James D. Little	Susan B. Spooner
Alexander L. Daugherty	Scott MacKinlay	Roger E. St.Pierre
Suzanne R. Dewey	Thomas Manuel	Sr. Lydia Steele
Vincent C. DiLego	Robert Manzella	Suzanne J. Stinson
Timothy R. Dolan	Alan L. Marden	Brian Sullivan
Kathleen F. Dunn	Thomas R. Maselli	Bradley C. Svruga
Paul R. Dupuis	Marcia McFarland-Gray	Joseph C. Thompson
Ronald B. Durning, Jr.	Jack McGrath	Dean Tilden
Paul T. Dwyer	Maureen N. McGuire	Steve Triffletti
Rosemary Earley	Amy C. Merselis	Donald Trimarchi
Nicholas M. Edgerton	John Merselis	John N. Umlauf
John R. Elder	William R. Miller	Thomas Vautin
Thomas G. Elder	Rosemary K. Moore	Robert C. Ware
William E. Elder	K. Elaine Neely	David J. Westall
Neil Engstrom	Arlon E. Nelson	Donald J. Westall
Marilyn S. Faulkner	Kimberly Nelson	James S. Whitney
J. Adam Filson	Linda Neville	William R. Wilson, Jr.
David F. Fowle	Edward F. Nimmons	Christopher Wolf
Thomas A. Gajda	Thomas O'Connell	Catherine M. Yamamoto
David Gemelli	John O'Connor	Susan J. Yates
Brice George	Maureen M. O'Mara	David Zimmerman
Benjamin Glick	Reinhold M. Ott	

## Hoosac Bank

### BOARD OF DIRECTORS

Pamela B. Art	Gailanne M. Cariddi	Richard C. Lamb
Daniel E. Bosley	Stephen G. Crowe, CPA	John G. Merselis, Jr., M.D.
Howard E. Brookner - (Chairman)	Maynard A. Hodgdon	
Diana D. Brooks	Susan S. Hogan	
Richard B. Bullett	John C. Holden	
	Hulda Hardman Jowett	

## South Coastal Bank

### BOARD OF DIRECTORS

James Bailey	Jack McGrath	Robert Shalgian
Daniel E. Bosley	Kimberly Nelson	Ann Shannon
Noreen Carey-Neville	Thomas O'Connell	William Spence
Stephen G. Crowe, CPA	John J. O'Connor, III - (Chairman)	Thomas Vautin
David Gemelli	Kenneth Pike	
Richard Jasper, Jr.	Richard Phelps	

## Williamstown Savings Bank

### BOARD OF DIRECTORS

Pamela B. Art	Gailanne M. Cariddi	Richard C. Lamb
Daniel E. Bosley	Stephen G. Crowe, CPA	John G. Merselis, Jr., M.D.
Howard E. Brookner - (Chairman)	Maynard A. Hodgdon	
Diana D. Brooks	Susan S. Hogan	
Richard B. Bullett	John C. Holden	
	Hulda Hardman Jowett	

## True North / CPDC

### BOARD OF DIRECTORS

Pamela B. Art	Timothy R. Dolan	Bradley C. Svruga - (Chairman)
Richard B. Bullett	Susan S. Hogan	
Stephen G. Crowe, CPA	Richard C. Lamb	

## Our Mission

*We are dedicated to providing our customers with outstanding products and exceptional service in a profitable manner, while supporting the growth of our employees and the communities we serve.*

Richard B. Bullett is Clerk of the Corporation for MountainOne Financial Partners, MHC and Hoosac Bank. Pamela B. Art is Clerk of the Corporation for Williamstown Savings Bank. Rosemary Earley is Clerk of the Corporation for South Coastal Bank. Timothy Dolan is the Clerk of the Corporation for Coakley, Pierpan, Dolan & Collins Insurance Agency, Inc. and True North.

Hoosac Bank, Williamstown Savings Bank, and South Coastal Bank are wholly owned subsidiaries of MountainOne Financial Partners, Inc, which is a wholly owned subsidiary of MountainOne Financial Partners, MHC. Hoosac Bank, Williamstown Savings Bank, and South Coastal Bank are Members FDIC, Members DIF, and Equal Housing Lenders. Coakley, Pierpan, Dolan & Collins Insurance Agency, Inc and True North Financial Services, Inc. are wholly owned subsidiaries of Hoosac Bank. True North Insurance Agency, Inc. is a wholly owned subsidiary of True North Financial Services, Inc. True North Financial Services, Inc. is a Member FINRA and Member SIPC.



# MountainOne Financial Partners

# 2007 Annual Report

## Hoosac Bank

## Coakley, Pierpan, Dolan & Collins

## South Coastal Bank

## True North

## Williamstown Savings Bank

To Our Community,

It is not uncommon to find one extraordinary financial, social, or political event that highlights any given year. 2007 was very uncommon, however, because so many events occurred in the same year. The political process to choose our next President has yielded many firsts; a national housing collapse is unprecedented; financial wizardry in collateralized debt obligations, credit default swaps, derivatives, hedge funds, auction rate securities, variable special purpose entities, and other complex financial instruments is seeing the light of day; the sharp decline of our dollar against foreign currencies; \$109 per barrel oil; recognition of global warming; and record foreclosure sales. And, let us not forget another Boston Red Sox World Series Championship. In 2007, the unthinkable seemed to occur more often and at a much more rapid pace than anytime in my memory.

A very uncommon and welcomed event for MountainOne was the acquisition of South Coastal Bank. The addition of this 140-year-old community bank to our partnership distinguishes us as the only three-bank mutual holding company in the United States. We are delighted with new prospects for growth and the addition of many talented officers and employees to our family. And, we have been impressed with the number of other banks looking at our unique model of mutuality and considering either joining MountainOne or beginning their own multi-bank mutual holding companies.

For a variety of reasons, we did not expect to brag much about our earnings in 2007, and we lived up to that realistic expectation. In addition to our usual concerns about razor-thin net interest margins, we booked significant one-time expenses related to the acquisition of South Coastal Bank. In 2008, we will re-organize some internal operations, see modest loan growth, work hard to maintain our deposit growth, and focus on being the best provider of locally-based, locally-managed financial services in our core markets. Despite the turmoil in our world and nation, including an economy in recession, we expect that MountainOne will continue its remarkable history as a strong financial institution with solid capital and a sound loan portfolio.

I should also note that we are extremely proud of our non-banking companies, True North Financial Services and Coakley, Pierpan, Dolan & Collins. They both complement our banking services and provide opportunity for customers to receive outstanding investment and insurance services from talented professionals who live and work in our communities.

In 2007, Robert W. Collins retired as President of Coakley, Pierpan, Dolan & Collins. I want to express my appreciation for his successful career and his influence in making our insurance agency one of the premier agencies in Berkshire County. Two members of our Board of Trustees will be leaving the board effective with our Annual Meeting. Howard E. Brookner served on several committees and recently as Chairman of Williamstown Savings Bank's Board of Directors in his nine years on our Board. John G. Merselis, Jr. served in every capacity possible over his 28 years on the Board of Trustees. His service can never be replaced and he will be missed by all. I would also like to take this opportunity to thank retiring bank director Hulda Hardman Jowett for her 16 years of service to Hoosac Bank, and later Williamstown Savings Bank. Her experience and knowledge of the local market has brought invaluable insight to our board.

On behalf of our employees and board members, thank you for your business, your confidence, and your support in making MountainOne Financial Partners a very special organization – one that I am proud to lead.

Stephen G. Crowe  
President & Chief Executive Officer

## MountainOne Financial Partners

### EXECUTIVE OFFICERS

Daniel E. Bosley	Chairman
Stephen G. Crowe, CPA	President & Chief Executive Officer
Donald E. Keagan	Executive Vice President & Treasurer
John J. O'Connor III	Executive Vice President

## Hoosac Bank

### OFFICERS

Stephen G. Crowe	President & Chief Executive Officer
Donald E. Keagan	Executive Vice President & Chief Financial Officer
John C. Law	Executive Vice President, Retail Banking & Marketing
Richard J. Alcombright	Senior Vice President, Retail Banking
Maureen E. Baran	Senior Vice President, Retail Lending
Steven S. Iacuesssa	Senior Vice President, Business Lending
Liz Bissell	Vice President, Marketing
Eva Sheridan	Vice President, Human Resources
Debra A. Wooley	Vice President, Controllor
Donna M. Choquette	Assistant Vice President, Branch Administrator
Tracy L. McConnell	Assistant Vice President, Business Lending
Jean L. Sherman	Assistant Vice President, Compliance Officer/BSA
Shannon L. Tatro	Assistant Vice President, Retail Lending
Alfred L. Bedini	Branch Manager
Becky A. McAllister	Branch Manager
Mary P. LeClair	Human Resource Officer
Cynthia P. Noyes	Operations Officer
Carolina A. Pilot	Deposit Operations Officer
Jeffrey J. Polucci	Security Officer
Cynthia J. Sault	Retail Lending Officer
Timothy Shepard	Information Technology Officer
Myra L. Wilk	Retail Lending Officer

## Coakley, Pierpan, Dolan & Collins Insurance Agency, Inc. (CPDC)

### OFFICERS

Timothy R. Dolan	President
David R. Bissaillon	Vice President
Grace J. Gray	Vice President, Agency Administration & Customer Service
William R. Robinson	Vice President, Sales

## South Coastal Bank

### OFFICERS

John J. O'Connor III	Chairman, President & Chief Executive Officer
Robert Fraser	Executive Vice President, Senior Lending Officer
Susan Lincoln	Executive Vice President, Marketing & Retail Banking
Barry Whittaker	Senior Vice President, Chief Financial Officer, Chief Operations Officer
Patricia Dandrow	Vice President, Commercial Lending Officer
Mark D'Onofrio	Vice President, Construction Lending & Team Leader
Elaine DuJardin	Vice President, Home Equity Lending
Ann O'Keefe	Vice President, Retail Operations Manager/Security Officer
Kirk Small	Vice President, Area Sales & Business Development Manager
Dan Taylor	Vice President, Area Sales & Business Development Manager
John Ward	Vice President, Mortgage Officer and Team Leader
Paula Clough	Assistant Vice President, Loan Operations Manager
Maureen Courtney	Assistant Vice President, Regional Branch Operations Manager
Rosemary Earley	Vice President, Assistant to President & Chief Executive Officer
Danielle Walsh	Vice President, Controllor & Treasurer
Norma Jean Ellis	Executive Lending Assistant & Assistant Portfolio Manager
Jack Doyle	Residential Lending Officer
Kimberly McNeil	Assistant Treasurer, Facilities
Frances Wong	Marketing & Public Relations Officer

## True North

### OFFICERS

Richard C. Lamb	President & Chief Executive Officer
Linda B. Shepard	Vice President
Holly A. Taylor	Vice President
Stephanie Scott	Chief Compliance Officer

## Williamstown Savings Bank

### OFFICERS

Stephen G. Crowe	President & Chief Executive Officer
Donald E. Keagan	Executive Vice President & Chief Financial Officer
John C. Law	Executive Vice President, Retail Banking & Marketing
Richard J. Alcombright	Senior Vice President, Retail Banking
Maureen E. Baran	Senior Vice President, Retail Lending
Steven S. Iacuesssa	Senior Vice President, Business Lending
Liz Bissell	Vice President, Marketing
Eva Sheridan	Vice President, Human Resources
Debra A. Wooley	Vice President, Controllor
Donna M. Choquette	Assistant Vice President, Branch Administrator
Jean L. Sherman	Assistant Vice President, Compliance Officer/BSA
Shannon L. Tatro	Assistant Vice President, Retail Lending
Mary P. LeClair	Human Resource Officer
Mary M. Morrow	Branch Manager
Cynthia P. Noyes	Operations Officer
Jeffrey J. Polucci	Security Officer
Timothy Shepard	Information Technology Officer

## MountainOne Financial Partners Consolidated Statements Of Earnings

### YEARS ENDED DECEMBER 31

	2007	2006*	2005*
<b>INTEREST INCOME</b>			
Interest and Fees on Loans	\$ 28,903,424	\$ 17,481,547	\$ 15,374,853
Interest on Investment Securities	17,090,858	13,972,938	10,226,787
Interest on Federal Funds Sold	<u>375,064</u>	<u>127,795</u>	<u>77,542</u>
Total Interest Income	<u>46,369,346</u>	<u>31,582,280</u>	<u>25,679,182</u>
<b>INTEREST EXPENSE</b>			
Interest on Deposits	17,695,512	10,005,362	6,482,532
Interest on Borrowed Funds	12,344,113	10,665,597	6,771,377
Interest on Subordinated Debt	1,287,883		
Interest on Notes Payable & Other Items	<u>279,959</u>	<u>96,020</u>	<u>109,540</u>
Total Interest Expense	<u>31,607,467</u>	<u>20,766,979</u>	<u>13,363,449</u>
Net Interest Income before Provision for Loan Losses	14,761,879	10,815,301	12,315,733
Provision for Loan Losses	<u>99,170</u>	<u>104,789</u>	<u>463,630</u>
Net Interest Income after Provision for Loan Losses	<u>14,662,709</u>	<u>10,710,512</u>	<u>11,852,103</u>
<b>NON-INTEREST INCOME</b>			
Customer Service Charges on Deposits	1,468,704	870,753	780,977
Commissions & Other Income	9,186,596	8,310,731	8,068,227
Gains on Investment Securities Transactions	<u>(252,581)</u>	<u>52,231</u>	<u>10,524</u>
Total Non-Interest Income	<u>10,402,719</u>	<u>9,233,715</u>	<u>8,859,728</u>
<b>NON-INTEREST EXPENSE</b>			
Salaries and Employee Benefits	16,092,349	9,018,747	8,198,417
Occupancy Expense	2,056,125	1,366,995	1,407,365
Equipment Expense	800,860	555,649	605,669
Contributions	253,176	357,180	389,958
Other Expense	<u>8,441,383</u>	<u>5,911,504</u>	<u>5,599,473</u>
Total Non-Interest Expense	<u>27,643,893</u>	<u>17,210,075</u>	<u>16,200,882</u>
Net Income Before Taxes	(2,578,465)	2,734,152	4,510,949
Income Tax Benefit (Expense)	<u>2,993,716</u>	<u>(392,995)</u>	<u>(1,267,969)</u>
<b>NET INCOME</b>	<u>\$415,251</u>	<u>\$2,341,157</u>	<u>\$3,242,980</u>

\* These periods have not been restated to reflect the 2007 acquisition of South Coastal Bank.

## MountainOne Financial Partners Consolidated Balance Sheets

### AS OF DECEMBER 31

	2007	2006*	2005*
<b>ASSETS</b>			
Cash and Due from Banks	\$ 21,532,005	\$ 12,345,085	\$ 10,254,093
Investment Securities	360,761,615	314,581,047	297,213,917
Federal Funds Sold	4,454,737	2,339,541	1,447,906
Loans:			
Residential Real Estate	292,323,124	179,058,422	170,556,311
Commercial Real Estate	117,831,787	91,307,428	62,407,791
Commercial	23,251,288	9,426,869	31,137,953
Consumer	<u>4,538,360</u>	<u>3,043,495</u>	<u>2,768,727</u>
	437,944,559	282,836,213	266,870,782
Allowance for Loan Loss	(5,097,422)	(3,634,951)	(3,658,335)
Deferred Loan Costs, Net	<u>1,032,096</u>	<u>369,033</u>	<u>391,693</u>
Net Loans	433,879,233	279,570,296	263,604,140
Other Real Estate Owned	-	25,000	-
Bank Premises and Equipment	14,147,038	12,567,080	12,332,463
Goodwill & Intangible Assets	2,484,978	1,843,691	1,843,691
Other Assets	<u>35,811,855</u>	<u>24,985,047</u>	<u>23,800,127</u>
<b>TOTAL ASSETS</b>	<u>\$873,071,461</u>	<u>\$648,256,787</u>	<u>\$610,496,337</u>
<b>LIABILITIES AND CAPITAL</b>			
Deposits:			
Non-Interest-Bearing	\$ 40,990,355	\$ 19,656,552	\$ 20,842,234
Interest-Bearing	<u>487,144,246</u>	<u>327,568,220</u>	<u>307,142,920</u>
	528,134,601	347,224,772	327,985,154
Borrowed Funds	237,741,007	226,716,106	204,562,189
Subordinated Debt	20,620,000	-	-
Other Liabilities	<u>16,898,667</u>	<u>14,688,678</u>	<u>20,706,745</u>
Total Liabilities	<u>803,394,275</u>	<u>588,629,556</u>	<u>553,254,088</u>
Total Capital	<u>69,677,186</u>	<u>59,627,231</u>	<u>\$57,242,249</u>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<u>\$873,071,461</u>	<u>\$648,256,787</u>	<u>\$610,496,337</u>

\* These periods have not been restated to reflect the 2007 acquisition of South Coastal Bank.