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# 2012

## Annual Report

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Hoosac Bank  
Coakley, Pierpan, Dolan & Collins  
Stevenson & Co.  
South Coastal Bank  
True North  
Williamstown Savings Bank

Dear MountainOne Community,

2012 was a year of significant transition for our company. We are grateful to Steve Crowe for his ten years of service as MountainOne's CEO. He concluded that role in September and provided leadership as our Chairman through the end of the year. Steve continues to serve as a Trustee and as a representative in our communities. We wish him and his family enduring fulfillment.

Hoosac Bank and Williamstown Savings Bank formally came together mid-year under a single bank charter. During December, the Directors of Hoosac Bank and South Coastal Bank approved a plan to combine the two remaining banks under a single charter. Pending regulatory approval, the combination of the banks will be complete by mid-year 2013. Hoosac Bank will transition to the MountainOne Bank name, with Williamstown Savings and South Coastal operating as divisions of MountainOne Bank. Our non-banking business units will also remain divisions of MountainOne Bank. Upon approval of our Corporators, the mutual holding company will be known as MountainOne Financial, MHC and our bank shareholder will be known as MountainOne Financial, Inc. South Coastal President and CEO Robert Fraser has been named Chief Operating Officer of the integrated banking company.

We have forged six MountainOne Core Commitments that are advancing our enterprise: Asset Quality; Customer Care; Operational Distinction; Professional Development; Regulatory Accountability; and One Company – One Mission. Each commitment has an individual member of executive management driving its attainment, with all members of the team embracing a collective responsibility for MountainOne. We will soon have members of the individual bank boards and the holding company board coming together into a unified MountainOne board. There is cohesion around our aim of building capital by serving the communities we know best with meaningful offerings that resonate with lasting value.

Our One Company Team, made up of employees from both ends of the Commonwealth, is hard at work creating new products, integrating systems, structuring a new organization, and coordinating with our strategic partners. Our MountainOne Financial Center in Pittsfield is breathing with life as all MountainOne businesses are working in concert under one glistening new roof. There is strength in this model as we cut through complexity and deliver banking, insurance, and investment solutions to our customers.

MountainOne begins its second decade embracing challenges faced by many in our rapidly evolving industry. Challenges bring opportunity. With vital spirit, and keen focus on our Core Commitments, we will grow by diligently applying our unique capabilities. We shall continue to innovate while retaining our community bank roots. The future shimmers with promise. As we embark on this new phase of MountainOne development, we are mindful of our heritage and deeply appreciative of your support.



Thomas S. Leavitt  
President & Chief Executive Officer

# MountainOne Financial Partners

## BOARD OF TRUSTEES

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Pamela B. Art	Stephen G. Crowe	Richard J. Phelps
James J. Bailey, Jr.	Stephen P. Klass	William F. Spence
Daniel E. Bosley, <i>Chair</i>	Thomas S. Leavitt,	Bradley C. Svrluga
Richard B. Bullett	<i>President &amp; CEO</i>	Kelli E. Kozak, <i>Clerk</i>
David W. Crane	Richard T. Palmisano II	<i>(non-voting)</i>

## CORPORATORS

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Mary Ann Abuisi	Thomas G. Elder	Corlis McGee
Rosine Afshar	William E. Elder	Jon McGrath
Faisal Ali	J. Adam Filson	Maureen N. McGuire
Billie Lynn Allard	Joseph Finnegan	K. Elaine Neely
William Apkin	David F. Fowle	Kimberly Nelson
James Art	Robert J. Fraser	Linda Neville
Pamela B. Art	Thomas A. Gajda	Edward F. Nimmons
James J. Bailey, Jr.	Michael Gardner, Jr.	Thomas O'Connell
Ann Bartlett	Michael Gardner, Sr.	Maureen M. O'Mara
Ray Belanger, Jr.	David Gemelli	Richard T. Palmisano II
Blair Benjamin	Paul Gemelli	Charles Perfetuo
Pamela Besnard	Brice George	Felicia Pharr
Daniel Bosley	Benjamin Glick	Richard J. Phelps
John Bradley	Susan W. Gold	Leslie Reed-Evans
Howard E. Brookner	Mary K. Grant	Denise C. Richardello
Diana D. Brooks	Willard F. Greenwald	Denise M. Richer
Andrew B. Budz	Dean M. Grimes	Ralph Rivkind
Richard B. Bullett	Vincent P. Guntlow	Mireille Roy
Daniel H. Campbell	Michael Haddad, Jr.	Jonathan B. Sabin
James L. Canavan, Jr.	Allen L. Hall	Robert J. Scerbo
Noreen Carey-Neville	Kevin Hanley	Graham Shalgian
Gailanne M. Cariddi	Paula Harris	Ann Shannon
David Carver	Ruth G. Harrison	Anthony M. Smeglin
Donald B. Clark	Paul Hart	Edwin L. Smith
Eileen M. Clark	Susan S. Hogan	William Spence
Paula J. Clough	John C. Holden	Susan B. Spooner
Jonathan Cluett	Richard Jasper, Jr.	Roger E. St. Pierre
Carol A. Colantuono	Thomas P. Kaegi	Sr. Lydia Steele
Robert W. Collins	Chris Kapiloff	Suzanne J. Stinson
David W. Crane	Stephen P. Klass	Brian Sullivan
Stephen G. Crowe	Arthur L. Lafave	Bradley C. Svrluga
Richard Curtis	Kevin A. Lamb	Colleen Taylor
Steven Del Negro	Richard C. Lamb	Joseph C. Thompson
Suzanne R. Dewey	Teresa H. Lamb	Steven Triffletti
Timothy R. Dolan	John C. Law	Donald Trimarchi
Donald Dubendorf	James D. Little	Thomas Vautin
Kathleen F. Dunn	Kevin Maguire	Robert C. Ware
Paul R. Dupuis	Robert Manzella	David J. Westall
Rosemary Earley	Alan L. Marden	Susan J. Yates-Mulder
John R. Elder	Marcia McFarland-Gray	David Zimmerman

## MountainOne Financial Partners

### EXECUTIVE OFFICERS

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Daniel E. Bosley	Chair
Thomas S. Leavitt	President & Chief Executive Officer
Steven J. Owens	Executive Vice President, CFO, Treasurer
Lynne M. Carlotto	Senior Vice President, Senior Risk Management Officer

## Hoosac Bank

### OFFICERS

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Thomas S. Leavitt	President & Chief Executive Officer
Robert J. Fraser	Executive Vice President, COO
Steven J. Owens	Executive Vice President, CFO, CIO, Treasurer
Lynne M. Carlotto	Senior Vice President, Senior Risk Management Officer, CRA Officer
Tracey M. Kelley	Senior Vice President, Senior Operations Officer
Robert Ryan Leap	Senior Vice President, Commercial Lending
Peter W. Radigan	Senior Vice President, Senior Consumer Lending Officer
Eva Sheridan	Senior Vice President, Senior Human Resources Officer
Debra A. Wooley	Senior Vice President, Controller
Robert G. Abel	Vice President
Liz Bissell	Vice President, Senior Marketing Officer
Paul E. Brindle	Vice President, Commercial Lending
Richard Bromberg	Vice President, IT Director/Information Security Officer
Linda B. Levesque	Vice President
Tracy L. McConnell	Vice President, Commercial Lending
Mary M. Morrow	Vice President, Senior Community Banking Officer
Joel C. Scussel	Vice President, Commercial Lending
Jean L. Sherman	Vice President, Compliance & BSA Officer
Shannon L. Sweet	Vice President, Western Sales Manager
Kim E. Anderson	Assistant Vice President, Loan Operations Officer
Gerald Biron	Assistant Vice President, Consumer Lending Production Officer - West
Donna M. Choquette	Assistant Vice President, Branch Administration
Cynthia P. Noyes	Assistant Vice President, Operations Officer
Alfred L. Bedini, Jr.	Community Banking Officer II
Gwenn Bishop	Mortgage Underwriter
Kelly L. Dubie	Customer Care Officer
Sarah E. Gaffey	Community Banking Officer II
Mary P. LeClair	Human Resources Officer
Jeffrey Polucci	Facilities, Security & Real Estate Officer
Cynthia J. Sault	Retail Lending Officer
Timothy Shepard	Information Technology Officer
Rachel P. Vadnais	Community Banking Officer I

## True North Financial Services

### OFFICERS

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Robert G. Abel	President & Chief Executive Officer
Linda B. Levesque	Vice President

## True North Insurance Agency, Inc.

### OFFICERS

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Richard C. Lamb	President & Chief Executive Officer
Holly A. Taylor	Vice President

## South Coastal Bank

### OFFICERS

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Robert J. Fraser	President & Chief Executive Officer
Steven J. Owens	Executive Vice President, Treasurer
Lynne M. Carlotto	Senior Vice President, Senior Risk Management Officer, CRA Officer
Tracey M. Kelley	Senior Vice President, Finance
Peter W. Radigan	Senior Vice President, Consumer Lending
Timothy P. Rhuda	Senior Vice President & Senior Commercial Loan Officer
Eva Sheridan	Senior Vice President, Senior Human Resources Officer
John Hubbard	Vice President, Eastern Sales Manager
Seerena S. Huxley	Vice President, Senior Community Banking Officer
Brian McDavitt	Vice President, Commercial Lending, Portfolio Manager
James E. Milch	Vice President, Real Estate Lending
Ann M. O'Keefe	Vice President, Retail Operations, Bank Security & BSA Officer
Jean L. Sherman	Vice President, Compliance Officer
Kim E. Anderson	Assistant Vice President, Loan Operations Officer
Gerald Biron	Assistant Vice President, Consumer Lending Production Officer - West
Paula J. Clough	Assistant Vice President, Finance
Maureen Courtney	Assistant Vice President, Regional Branch Operations Manager
Matthew B. Kreisner	Assistant Vice President, Commercial Lending Officer
Cheryl Scioscia	Assistant Vice President, Consumer Lending Production Officer - East
Adam Conrad	Community Banking Officer II
Michelle Devine	Assistant to the President, CEO & HR Liaison Officer
Meghan Dunphy	Community Banking Officer II
Jessica McGovern	Executive Commercial Lending Assistant & Officer
Rebecca L. O'Regan	Consumer Credit Officer & Administrative Officer
Lucille Weare	Community Banking Officer I

## Coakley, Pierpan, Dolan & Collins Stevenson & Co.

### OFFICERS

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

# MountainOne Financial Partners

## Consolidated Statements Of Operations

### YEARS ENDED DECEMBER 31

	2012	2011	2010
	(Dollars in Thousands)		
<b>INTEREST &amp; DIVIDEND INCOME</b>			
Loans, including Fees	\$ 25,122	\$ 25,133	\$ 25,301
Investment Securities	3,522	5,654	7,883
Federal Funds Sold & Other	29	18	23
Total Interest & Dividend Income	<u>28,673</u>	<u>30,805</u>	<u>33,207</u>
<b>INTEREST EXPENSE</b>			
Deposits	4,399	4,812	6,147
Federal Home Loan Bank Borrowings	4,590	4,990	6,834
Subordinated Debt	1,273	1,555	1,555
Notes Payable & Other Items	43	70	91
Total Interest Expense	<u>10,305</u>	<u>11,427</u>	<u>14,627</u>
Net Interest Income	18,368	19,378	18,580
Provision for Loan Losses	<u>1,253</u>	<u>7,528</u>	<u>924</u>
Net Interest Income After Provision for Loan Losses	<u>17,115</u>	<u>11,850</u>	<u>17,656</u>
<b>NON-INTEREST INCOME</b>			
Customer Service Charges on Deposits	1,110	1,087	1,206
Commissions	8,514	8,137	7,080
Net Gain on Sales of Loans	2,715	1,032	760
Net Gain on Securities Transactions	1,487	1,694	1,150
Writedown of Securities	(451)	(3,528)	(1,821)
Other Income	1,356	1,311	1,306
Total Non-Interest Income	<u>14,731</u>	<u>9,733</u>	<u>9,681</u>
<b>NON-INTEREST EXPENSE</b>			
Salaries and Employee Benefits	17,749	16,316	16,219
Occupancy Expense	2,280	2,165	2,106
Equipment Expense	684	737	654
Computer Services	1,276	1,178	1,171
FDIC Deposit Insurance Assessments	758	756	911
Contributions	248	247	228
Other Expense	7,873	7,969	7,298
Total Non-Interest Expense	<u>30,868</u>	<u>29,368</u>	<u>28,587</u>
Income (Loss) Before Income Taxes	978	(7,785)	(1,250)
Income Tax Expense (Benefit)	<u>567</u>	<u>(3,223)</u>	<u>(1,100)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 411</u>	<u>\$ (4,562)</u>	<u>\$ (150)</u>

# MountainOne Financial Partners Consolidated Balance Sheets

AS OF DECEMBER 31

	2012	2011
	(Dollars in Thousands)	
<b>ASSETS</b>		
Cash and Due from Banks	\$ 14,866	\$ 22,851
Federal Funds Sold & Other Short-Term Investments	—	232
Investment Securities	129,814	186,610
Federal Home Loan Bank of Boston Stock, at Cost	14,700	15,768
Loans Held for Sale	25,179	21,427
Loans:		
Residential Real Estate	208,139	170,393
Home Equity	62,980	58,264
Commercial Real Estate	185,986	194,056
Commercial	63,192	61,047
Construction & Land	21,205	20,432
Consumer	2,527	3,134
Total Loans	544,029	507,326
Deferred Loan Costs, Net	2,058	1,455
Allowance for Loan Losses	(7,428)	(7,087)
Net Loans	538,659	501,694
Other Real Estate Owned	131	823
Premises & Equipment, Net	16,575	13,952
Deferred Tax Asset, Net	11,562	12,651
Bank-Owned Life Insurance	22,143	21,496
Goodwill & Other Intangible Assets	3,777	1,980
Other Assets	8,214	10,774
<b>TOTAL ASSETS</b>	<b>\$ 785,620</b>	<b>\$ 810,258</b>
<b>LIABILITIES AND CAPITAL</b>		
Deposits:		
Non-Interest-Bearing	\$ 69,237	\$ 64,163
Interest-Bearing	504,961	505,360
Total Deposits	574,198	569,523
Federal Home Loan Bank Borrowings	109,550	136,680
Securities Sold Under Agreements to Repurchase	—	3,655
Subordinated Debt	20,620	20,620
Other Liabilities	16,300	15,395
Total Liabilities	720,668	745,873
Total Capital	64,952	64,385
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>\$ 785,620</b>	<b>\$ 810,258</b>

## Hoosac Bank

### BOARD OF DIRECTORS

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Pamela B. Art	David W. Crane	Richard T. Palmisano II
Daniel E. Bosley	Stephen G. Crowe	Joseph C. Thompson
Diana D. Brooks	Susan S. Hogan	Kelli E. Kozak, <i>Clerk</i> (non-voting)
Richard B. Bullett, <i>Chair</i>	Thomas S. Leavitt, <i>President &amp; CEO</i>	
Gailanne M. Cariddi		

## South Coastal Bank

### BOARD OF DIRECTORS

---

James J. Bailey, Jr.	Kevin A. Maguire	William F. Spence
Daniel E. Bosley	Corlis McGee	Thomas E. Vautin
Noreen Carey-Neville	Jon F. McGrath	Michelle Devine, <i>Clerk</i> (non-voting)
Robert J. Fraser, <i>President &amp; CEO</i>	Kimberly P. Nelson	
Thomas S. Leavitt	Thomas P. O'Connell	
	Richard J. Phelps, <i>Chair</i>	

## True North / CPDC

### BOARD OF DIRECTORS

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Pamela B. Art	Susan S. Hogan	Bradley C. Svrluga, <i>Chair</i>
Richard B. Bullett	Richard C. Lamb, <i>Treasurer</i>	
Timothy R. Dolan, <i>Clerk</i>	Thomas S. Leavitt	

## 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 our communities.*

### NON-DEPOSIT INVESTMENT AND INSURANCE PRODUCTS ...

- ARE NOT A DEPOSIT
- ARE NOT FDIC-INSURED
- ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- ARE NOT GUARANTEED BY THE BANK
- MAY GO DOWN IN VALUE

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 Insurance Agency, Inc. are wholly owned subsidiaries of Hoosac Bank. Insurance products are offered through Coakley, Pierpan, Dolan & Collins Insurance Agency, Inc. and True North Insurance Agency, Inc. True North Insurance Agency, Inc. does business as MountainOne Insurance Agency in California. Products and services are not available in all states. Securities and Advisory Services offered through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Adviser. Commonwealth is not affiliated with either True North, MountainOne Financial Partners or any of the MountainOne affiliated companies. Trustees, Directors, Officers and Corporators are listed as of 3/31/13.