The value of service
We know the value of service

noun | ser·vice | /ˈsərvəs/

1. The action of helping or doing work for someone.
   synonyms: favor, kindness, good turn, helping hand;
   
   • An act of assistance.
     * they know the importance of community service
   • Assistance or advice given to customers.
     * they aim to provide the best quality of service

2. A system supplying a public need.
   synonyms: amenity, resource, convenience, benefit, feature;
   
   • An act of supplying a needed service.
     * they offer a broad range of banking services

FROM THE PRESIDENT & CEO

To Our Valued Customers & Community Members:

I am pleased to report that North Brookfield Savings Bank completed its 163rd year of strong financial results in 2017. Assets grew to $301,748,000 and capital remains strong at $35,108,000. The Bank experienced both loan and deposit growth and welcomed many new customers.

At NBSB we value our customers and are pleased to serve them, whether we are helping a business with a loan, assisting a family with financing a home or saving for the future. We proudly know you by name, are easily reachable by telephone, and we are always here to help.

Increased advances in technology continue to transform customer experiences and expectations. More people are taking advantage of online banking, including online consumer and mortgage applications and mobile banking with mobile check deposit. However, these additional channels have not diminished our in-person branch visits. In contrast to industry trends that show a decrease in branch transactions, NBSB’s branch transaction volumes remain steady. We attribute this to the high quality of personalized service and attention that our customers receive, which is why the theme “Service” is fitting for this year’s Annual Report.

We know that when we serve you well we are helping you to create a secure financial future. As a mutual savings bank, decisions are made with the best interest of our customers in mind. We view every decision based on our values: People matter, we do the right thing and we maintain our high standards of service excellence.

Our employees play a vital role in the success of the Bank and our communities. They volunteer countless hours in support of the neighborhoods that we serve and they know the importance of community service. Whether we are making financial contributions, providing resources to the community or helping with financial literacy, NBSB plays a vital role.

In 2017, we welcomed three new Trustees to our Board, Tracy Opalinski, Harold (Ray) Chesson III and Vincent Lucchesi. Their experiences and backgrounds will certainly be of value to the Bank. We also experienced the retirement of Trustee John R. A. Lofgren following a total of thirty-seven years of service to the Bank and the passing of Trustee Alan R. Varnum who served the Bank for twenty-four years. NBSB is sincerely grateful for their experience and guidance provided throughout the years.

In closing, I would like to thank you, our customers, for your continued support and trust. To our Officers, Employees and Trustees, thank you for your dedicated service and for making 2017 another successful year.

Donna L. Boulanger
President & Chief Executive Officer
Service is a word that holds many valuable meanings for North Brookfield Savings Bank, but one of the things we particularly pride ourselves on is our commitment to providing our customers with exceptional service each and every day. Simply put, we care about our customers. We care about their financial well-being, their goals and aspirations, and we most definitely care about how we can help them to achieve those goals. We have knowledgeable, experienced, and caring employees who connect everyday with people who call or visit, and do their best to help them discover the products and services to fit their specific banking needs. When it comes down to it, we enjoy serving our customers and are grateful in helping them to build a financially strong future.

Palmer Branch Manager Jennifer Plassmann and Regional Branch Manager Cindy Fountain visited Michele Graves, owner of Hair Expressions in Three Rivers along with Stylist Megan Galarneau.

West Brookfield Branch Manager Kim Brown met with Roger Larson, owner of the Ye Olde Tavern in West Brookfield to help him with some business banking.

Daniel Larzas visited Ware Branch Manager Tina Allen and Ware Supervisor Nicole Syriac to obtain financing for his Chevy Silverado pickup truck.

East Brookfield Branch Manager Adam Gillette visited Josh Buzzell and Eric Buzzell, owners of NextGen Performance, an auto repair shop located in Spencer.

SVP/Retail Lending Manager Donna Tiso and Assistant Vice President/Underwriter Caitlin Burns helped John and Lori Loughlin finance their beautiful home in West Brookfield.

SVP/Retail Banking Manager Patty Ostrout with Ragged Hill Cider Company owners Anne Garwood Hampp, Steve Garwood and KeithArsenault, also the owner of Ragged Hill Orchard, were looking for a trusted banking partner for their business services, they knew they wanted a local bank that would listen to their needs. The choice was made simple when they visited a NBSB branch and received superior service and guidance, giving them the confidence that North Brookfield Savings Bank was the bank they were searching for.

North Brookfield Savings Bank serves each customer with the purpose of helping them to succeed and grow. For one local company searching for a banking partner, that was made possible. Ragged Hill Cider Company, located on the apple tree covered hill of West Brookfield’s Ragged Hill Orchard, specializes in crafting small batches of hard cider, made exclusively from apples that they grow, press, ferment and bottle with care.

When Ragged Hill Cider Company owners Anne Garwood Hampp, Steve Garwood and Keith Arsenault, also the owner of Ragged Hill Orchard, were looking for a trusted banking partner for their business services, they knew they wanted a local bank that would listen to their needs. The choice was made simple when they visited a NBSB branch and received superior service and guidance, giving them the confidence that North Brookfield Savings Bank was the bank they were searching for.
North Brookfield Savings Bank has a full service Business Center that houses a team of experienced, highly qualified and dedicated business professionals. We proudly serve businesses of all varieties, helping them to find the perfect lending products, deposit products and convenient business banking services. Every business that visits us with a unique vision or goal has our team ready to listen, work for their success, and offer them custom tailored solutions that will help them to thrive. Whether they are looking to open a free business checking account or are inquiring about financing for a new venture, we have a solution. We understand that choosing a business financial partner is an important decision. Choose North Brookfield Savings Bank, a Bank that knows the true value of providing good service to their customers.

Service that Builds Success

North Brookfield Savings Bank is proud to partner with Klem’s, a well-known department store that has a strong local history. Klem’s was founded in 1946 as a tractor repair shop in Hardwick by John and Bernice Klem. A year later the store expanded with the purchase of a Ford Tractor dealership and a move to the Spencer location. In 1979, the business was passed down to their son Mike Klem, with the store undergoing multiple expansions during the next 30 years. Mike passed the reins in 2011 to his daughter Jessica Bettencourt, now President and owner of the company.

Jessica has a vision for her family’s business. When she approached NBSB to share her expansion goals for the Klem’s building, she was recommended a financing option that provided the most value to her business. Due to NBSB being a Federal Home Loan Bank of Boston member, she was able to take advantage of the Jobs for New England program. NBSB’s guidance allowed Jessica to benefit from the program and see the expansion goals become a reality.
Service comes in many forms and for North Brookfield Savings Bank serving our communities has always been a top priority. We are proud to be a part of our communities and our commitment to being engaged in those communities has never wavered. The reason for this is simple. We know that it is essential to offer our support because bettering our communities benefits us all. We offer our support through our contributions to high school scholarships, elementary school workshops, fuel bank fundraisers, and literacy programs. Through various hosted fundraisers to support local needs, high school financial literacy programs, sponsorship of town events and through all of the volunteer hours that are given by our dedicated employees – this is how we show our love of our communities.

North Brookfield Savings Bank has been a steadfast supporter of the local communities in which it serves since 1854. So it is no surprise that when we hear of a need in our local neighborhoods we proudly offer our support in any way possible. This is why each year North Brookfield Savings Bank hosts various fundraisers at its branches. The Bank holds School Supply Drives, Food Drives and Toy Drives annually, along with community focused fundraisers and donations supporting local Senior Centers, campers attending Camp Putnam and the Cancer Service Programs through Baystate Mary Lane Hospital, to name a few. These neighborhoods are our home too and we know that serving our communities has a positive outcome for all of us.

Community Service Close to Home

North Brookfield Savings Bank has been a steadfast supporter of the local communities in which it serves since 1854. So it is no surprise that when we hear of a need in our local neighborhoods, we proudly offer our support in any way possible. This is why each year North Brookfield Savings Bank hosts various fundraisers at its branches. The Bank holds School Supply Drives, Food Drives and Toy Drives annually, along with community focused fundraisers and donations supporting local Senior Centers, campers attending Camp Putnam and the Cancer Service Programs through Baystate Mary Lane Hospital, to name a few. These neighborhoods are our home too and we know that serving our communities has a positive outcome for all of us.

Committed to our communities
noun | com·mu·ni·ties | /kə`myōōnədēs/
The community was invited to celebrate the completion of the North Brookfield Savings Bank West Brookfield Branch renovations at the “Renovation Celebration” event.

Shown left to right are Morgan Westerback, Julia Burkhardt, Regional Branch Manager Cindy Fountain, West Brookfield Assistant Branch Manager Meagan Brousseau, Kelsey Nicholls, Katelyn Granger and SVP/Retail Banking Manager Patricia Ostrout.

West Brookfield Renovation Project

North Brookfield Savings Bank continuously looks for ways to serve our customers and communities even better. In addition to developing our products and services to best assist our customers with their banking goals, and being actively engaged in our local communities, we also carefully look at our branch facilities and how they can be improved.

In April 2017, the West Brookfield branch underwent renovations and now the location has a state-of-the-art, modern setting with warm wood tones and partial glass walls for the offices. These updates, along with new furniture, new artwork to resemble the local area and abundant natural light produces a welcoming, spacious and bright atmosphere. The branch also now has a technology-enhanced teller line, better able to streamline teller line transactions and allow for more personalized communication between customers and employees.

To thank the West Brookfield community and welcome everyone to visit the newly renovated location, North Brookfield Savings Bank hosted a “Renovation Celebration” in May 2017. The event featured the Ye Olde Tavern’s traveling brick oven which served more than 150 attendees custom-made, personal brick oven pizzas compliments of the Bank. The experienced and knowledgeable West Brookfield branch team warmly welcomed the many visitors of the celebration, sharing fun giveaways, answering questions and assisting with banking transactions.

Along with the Bank’s reputation for outstanding customer service, experienced and friendly staff members, and a variety of available products and convenient services, the renovation of the West Brookfield branch compliments the overall banking experience, allowing North Brookfield Savings Bank to serve customers even better than before.

Consolidated Balance Sheet

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<tr>
<th>DECEMBER 31</th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<td>Cash and Due from Bank</td>
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<td>Investment Securities</td>
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<td>Real Estate Loans</td>
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<td>Federal Home Loan Bank Stock</td>
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<td>Federal Reserve Bank Stock</td>
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<td>Other Assets</td>
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<td>11,470,000</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>301,748,000</td>
<td>288,712,000</td>
</tr>
</tbody>
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| **LIABILITIES AND SURPLUS** |            |            |
| Savings and Term Deposits | 149,174,000 | 144,167,000 |
| Checking, NOW, Money Market | 86,034,000  | 83,661,000  |
| Mortgagors’ Escrow Accounts | 725,000     | 709,000     |
| FHLB Advances | 26,155,000  | 21,000,000  |
| Other Liabilities | 4,552,000   | 4,410,000   |
| **TOTAL LIABILITIES** | 266,640,000 | 253,947,000 |

| **TOTAL EQUITY CAPITAL** | 35,108,000 | 34,765,000 |
| **TOTAL LIABILITIES AND EQUITY CAPITAL** | 301,748,000 | 288,712,000 |

Trustees, Corporators, Officers and Employees

Thank You for Your Service

John R. A. Lofgren

After 37 years of dedicated service as a Trustee of North Brookfield Savings Bank, John Lofgren retired from his role as of the 2017 Annual Meeting. Behind him he leaves a remarkable example of how to be an excellent advisor, leader, and innovator for those who follow. John began as a Corporator of North Brookfield Savings Bank in 1980, and was elected a Trustee in 1985. He served as a member of the Asset and Liability Committee as well as Chairman of the Board of Investment. His resolve to put the best interest of North Brookfield Savings Bank, its customers and the communities first was evident, and we thank him for his many years of dedicated service provided. John will continue to serve as a Corporator and Honorary Trustee.

In addition to his roles with the Bank, John had a very successful career as a Flight Instructor in the Air Force, retiring after 20 years. He then worked for Howe Lumber bringing his computer and technology skills to the locally owned business and remained with them for 26 years.

We sincerely thank John for all his support and guidance.
Alan R. Varnum

Alan R. Varnum, Corporator and Trustee of North Brookfield Savings Bank for 24 years, passed away on September 23, 2017. He served in the role of Clerk of the Corporation and was a member of the Audit and ALCO Committees. Alan owned Al's Rubbish Removal in West Brookfield, which he started in 1971, and operated with his wife and two sons for 24 years before selling his business in 1995. He later worked for several years for Salvadore Chevrolet in Barre and Gardner, and then as a real estate agent for 19 years for Century 21 in Spencer and West Brookfield.

He also was a Board of Director member and Apprentice for the last 24 years with his son Marc at Varnum Funeral Home, Inc. in West Brookfield, helping families during one of the most difficult times in one’s life. He served the Town of West Brookfield as Tax Collector, Town Assessor, Advisory Board Member, Selectman and Water Commissioner for many years. He was a member of the George Whitefield United Methodist Church and the Bay Path Masonic Lodge of Masons in West Brookfield.

He will be remembered by his North Brookfield Savings Bank family and his community as a respected businessman, a kind community leader and a loving family man.