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Ashland | 968-7103
Center Harbor | 253-7303
Gilford | 528-1500
Laconia | 527-6030
Meredith | 279-7986
Meredith-104 | 279-5274
Moultonborough | 476-2300
Plymouth-Hannaford | 536-3200
Plymouth-Main Street | 536-8228
Wolfboro | 569-6655



Our Values:

Respect
Integrity
Teamwork
Excellence
Stewardship

Our mission...
as an independent mutual savings bank
is to independently and profitably serve our communities,
customers and employees.

Dear Members

of the MVSb Community:

Strength is a word that resonates for most people. We want strength in our communities. Strength in our families. And we certainly want strength in our financial institutions.

MVSb has continued to build strength, and even thrive, despite the challenges of the current environment. The last few years have been challenging for businesses and communities on a global basis. That has certainly been demonstrated in the financial services industry with bank failings, mergers and acquisitions. Through this period, MVSb has consistently out-performed many of our competitors. We have been able to do this while maintaining customer loyalty—over 33% of our customers have been with us for ten years or more and 36% of our customers have at least four MVSb products and services.

It's good to keep in mind that strength never comes from a single source. It is realized when positive forces converge. MVSb's success is resultant of the union of many of those positive components, such as the strength of the local economy, our continued investment in the community, modernization of tools and services, and a continued focus on employee development.

One of the advantages of being a mutual savings bank is that we have the opportunity to make longer term decisions, instead of focusing primarily on immediate stock-holder value. For instance, in 2010 we retooled our business development strategy to focus on meeting the needs of customers where they are—in terms of location, expertise and services. These changes resulted in many healthy new relationships that will ensure positive growth for years to come.

At MVSb, we're firmly committed to the customers and communities we serve. Their strength is key to our strength. And our strength contributes to theirs. This extends far beyond the bank's branch offices: We contributed over \$480,000 and 12,000 volunteer hours to local non-profit organizations.

Ultimately, we begin 2011 in a very strong position. In 2010, residential loans grew 7.3%, commercial real estate loans grew 6.5% and municipal loans grew 42.9%, while deposits continued to flow in at higher rates than ever before.

The economy saw signs of more solid footing in 2010. People and businesses emerged from the tougher times facing challenges with new knowledge and determination. All of these are positive indications as we look to the coming year—and our collective long term future as well.



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Consolidated Balance Sheets

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash and due from banks	\$ 7,217,180	\$ 8,901,760
Interest-bearing demand deposits with other banks	<u>11,629,779</u>	<u>10,211,120</u>
Cash and cash equivalents	18,846,959	19,112,880
Interest-bearing time deposits with other banks	6,112,000	6,738,000
Investments in available-for-sale securities (at fair value)	68,522,268	74,775,746
Investments in held-to-maturity securities (fair values of \$58,428 as of December 31, 2010 and \$64,648 as of December 31, 2009)	70,000	75,000
Federal Home Loan Bank stock, at cost	4,310,700	4,310,700
Investment in partially owned Charter Holding Corp., at equity	4,883,967	3,106,525
Loans held-for-sale	721,892	1,482,526
Loans, net	478,574,041	452,668,210
Premises and equipment	21,369,812	21,269,689
Other real estate owned	902,342	1,702,006
Accrued interest receivable	1,812,753	2,014,279
Bank owned life insurance	9,379,007	8,982,825
Other assets	<u>6,184,340</u>	<u>5,324,273</u>
Total assets	<u>\$621,690,081</u>	<u>\$601,562,659</u>
Liabilities And Equity		
Deposits:		
Noninterest-bearing	\$ 55,315,492	\$ 48,968,533
Interest-bearing	<u>422,681,987</u>	<u>409,286,822</u>
Total deposits	477,997,479	458,255,355
Securities sold under agreements to repurchase	18,190,316	18,527,051
Federal Home Loan Bank advances	51,166,970	53,976,249
Other liabilities	<u>4,638,513</u>	<u>4,666,004</u>
Total liabilities	<u>551,993,278</u>	<u>535,424,659</u>
Equity:		
Restricted retained earnings	22,610,000	22,160,000
Retained earnings	46,072,075	42,186,322
Accumulated other comprehensive income	<u>1,014,728</u>	<u>1,791,678</u>
Total equity	<u>69,696,803</u>	<u>66,138,000</u>
Total liabilities and equity	<u>\$621,690,081</u>	<u>\$601,562,659</u>

Consolidated Statements of Income

Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Interest and dividend income:		
Interest and fees on loans	\$27,465,164	\$27,179,258
Interest on debt securities:		
Taxable	2,507,987	4,076,531
Tax-exempt	24,122	35,157
Other interest	<u>153,363</u>	<u>184,404</u>
Total interest and dividend income	<u>30,150,636</u>	<u>31,475,350</u>
Interest expense:		
Interest on deposits	4,250,792	6,624,380
Interest on securities sold under agreements to repurchase	313,240	309,391
Interest on Federal Home Loan Bank advances	1,544,251	1,455,632
Interest on other borrowed funds	<u>23,334</u>	<u>26,450</u>
Total interest expense	<u>6,131,617</u>	<u>8,415,853</u>
Net interest and dividend income	24,019,019	23,059,497
Provision for loan losses	<u>2,036,000</u>	<u>1,851,400</u>
Net interest and dividend income after provision for loan losses	<u>21,983,019</u>	<u>21,208,097</u>
Noninterest income:		
Fees and service charges	3,601,267	2,997,486
Gain on securities, net	1,174,637	688,486
Gain on sales of loans, net	1,171,519	1,424,509
Other income	<u>965,136</u>	<u>1,007,909</u>
Total noninterest income	<u>6,912,559</u>	<u>6,118,390</u>
Noninterest expense:		
Salaries and employee benefits	14,376,787	12,331,533
Occupancy expense	1,490,062	1,556,615
Equipment expense	1,223,542	1,118,319
Account service expense	428,802	479,391
FDIC Assessment	643,181	929,909
Prepayment fee on Federal Home Loan Bank advances	0	36,316
Loss on disposals and sales of equipment and building	39,847	25,936
Loss on sales of other real estate owned	95,463	25,922
Write-downs on other real estate owned	179,956	949,443
Other expense	<u>4,596,045</u>	<u>4,448,013</u>
Total noninterest expense	<u>23,073,685</u>	<u>21,901,397</u>
Income before income taxes	5,821,893	5,425,090
Income taxes	<u>1,486,140</u>	<u>1,553,104</u>
Net income	<u>\$ 4,335,753</u>	<u>\$ 3,871,986</u>

MVSB Fund awards nearly \$50,000 to local non-profits

The Meredith Village Savings Bank Fund makes grants every year to community initiatives and non-profits that make a significant impact in the communities we serve. These grants are in addition to the bank's regular contributions and the extraordinary volunteer efforts by our employees. In 2010, the MVSB Fund awarded 18 community organizations a total of \$48,292 in grants.

Appalachian Mountain Teen Project of Wolfeboro, NH

- Awarded \$1,000 for local teens struggling with social, emotional, economic challenges to participate in a leadership training program with other youth from throughout the U.S.

Baby Threads of New Hampshire of Belmont, NH

- Awarded \$2,592 to purchase sewing machines to allow Baby Threads to increase the number of hand-sewn quilts they donate to low-income families each year.

Boys & Girls Club of the Lakes Region of Laconia, NH

- Awarded \$2,000 to offer homework assistance and tutoring for 6- to 18-year-olds. "Power Hour: Making Minutes Count" offers a structured environment for staff and volunteers to help students complete their homework, prepare for class, and take pride in their hard work and accomplishments.

Campton Area Resource Center of Campton, NH

- Awarded \$2,500 to purchase energy-efficient refrigerators and freezers to accommodate donations of freezable bread and meats at its food pantry. The funds will also be used to install shelving and other fixtures to allow for greater capacity, efficiency and organization.

The Carey House of Laconia, NH

- Awarded \$7,500 to purchase and install new washers and dryers to provide free laundry facilities for residents and others with limited financial resources.

Community Food Center of Sandwich, NH

- Awarded \$2,000 to continue to provide emergency food for people in need. The center requested the funds in response to a 40 percent increase in the number of people accessing the food pantry over the past year.

First Congregational Church of Meredith, NH

- Awarded \$3,000 to help the church replace its entire roof and steeple, an historic Meredith landmark that is rotting due to water damage. The project will include raising the church bell and repainting the face of the "Town Clock," which was donated in 1903 by Virginia Ladd, the daughter of MVSB's founder, Seneca A. Ladd.

Genesis Behavioral Health of Laconia, NH

- Awarded \$5,000 to purchase six laptop computers to support treatment for children and adults with mental illness. The new laptops give staff immediate access to client information in any setting and reduce travel to and from the office to complete paperwork.

Gunstock Ski Club (GSC) of Laconia, NH

- Awarded \$2,500 to modernize an obsolete and unsafe electrical system at their 30-year-old clubhouse. Founded in 1918, GSC offers junior ski racing and training at Gunstock Mountain Resort in Gilford for more than 100 athletes ages 6 to 18.

Lakes Region Child Care Services (LRCCS) of Laconia, NH

- Awarded \$1,000 to build additional bathroom facilities in response to a growing need for infant and toddler care. Founded in 1967, LRCCS currently provides services to 246 infants, toddlers and preschoolers, as well as before- and after-school programs for older children.

Meredith Public Health Nursing Association (MPHNA) of Meredith, NH

- Awarded \$1,800 to purchase a defibrillator to help stabilize patients with potentially life-threatening cardiac arrhythmias. MPHNA provides in-home nursing visits, physical and occupational therapy, blood pressure screenings, flu vaccines and other services to meet the health care needs of residents in Meredith and Center Harbor.

New Hampshire Jobs for America's Graduates (NH-JAG) of Manchester, NH

- Awarded \$1,400 to purchase a video camera and editing computer to allow Laconia Middle School students to develop weekly newscasts and train fellow students to make videos. NH-JAG helps students with academic and behavioral challenges to stay in school and find jobs, with an emphasis on developing leadership skills and making conscious personal and career choices.

Samuel H. Wentworth Library of Center Sandwich, NH

- Awarded \$1,000 to purchase an automated catalog system allowing patrons to access the library collection from any onsite or offsite computer. Built in 1915 with donated funds from Sandwich native Samuel H. Wentworth, the library currently houses 17,500 books, periodicals and audiovisual materials.

Tamworth Caregivers of Tamworth, NH

- Awarded \$1,000 to provide mileage reimbursement to volunteer caregivers who travel extensively to meet the transportation needs of Tamworth residents. In fiscal year 2009, Tamworth Caregivers provide 32,370 miles of volunteer transportation.

The Bridge House of Plymouth, NH

- Awarded \$5,000 to re-insulate the attic at the homeless shelter to minimize heat loss and increase energy savings. Founded in 1989, the Bridge House provides emergency and transitional shelter to homeless families.

Voices against Violence of Plymouth, NH

- Awarded \$2,500 to replace worn furnishings at its shelter for survivors of domestic violence and sexual assault. Founded in 1981, the organization also provides a 24-hour crisis line, court advocacy, support groups and other services at no cost to victims.

Wolfeboro Area Children's Center of Wolfeboro, NH

- Awarded \$2,500 to provide tuition assistance to working families with limited financial resources. Founded in 1974, the center provides early care, education, developmental programs, and family services to more than 300 families each year.

Wolfeboro Senior Center and Meals of Wolfeboro, NH

- Awarded \$4,000 to hire a part-time cook and coordinator to serve meals to local senior citizens. Since this new nonprofit started in February 2010, five volunteer cooks have served more than 1,000 meals at the center.



**Over 12,000 hours and \$480,000
Invested in our Community in 2010**

Meredith Village Savings Bank encourages our employees to take active roles in the community. In 2010, our 205 employees spent 12,100 hours helping community events and organizations, and the Bank contributed a total of \$480,231 to local nonprofits. This partial listing of organizations is representative of the community initiatives to which our employees dedicated their time and talents this year. We thank our employees for their efforts to make our community an even better place to live, work, and play.

Alton Bay Winter Carnival
Alton Mrs Santa Fund
Alton Old Home Day
Alton Trash Pick Up Day
Altrusa Club of Laconia
Altrusa Club of Meredith
Altrusa Festival of Trees
American Cancer Society Relay for Life
Ashland 4th of July Parade
Ashland July 4th Committee
Ashland Revitalization Steering Committee
Ashland School District
Baby Threads
Bald Peak
Barnstormers Theatre
Belknap Mill Society
Bill Lamper Youth Basketball League
Campton Historical Society
Campton Trustee of Trust Funds

Caring Fund
Center Harbor Lakeshore Drive Clean Up
Center Harbor Soup Kitchen
Challenge Unlimited
Christmas Night in Ashland
Circle Program
Copper Canyon Camp
Cozy Caps
Darmouth Hitchcock Air Response Team
First Fruits Pantry
First Star Tonight
Floyd Chapman Bird Sanctuary & Visny Woods
Friends of Abenaki
Genesis Behavioral Health
Gilford Parent Teacher Association
Girl Scouts
Governor Wentworth Regional School Board
Granite State Adaptive
Greater Meredith Career Partnership Program
Greater Meredith Program
Gunstock Adaptive Ski Program
Holderness Afterschool Care and Enrichment (ACE)
Holderness Post Office "Letters to Santa"
Holderness School
Huggins Hospital Street Fair
Inter-Lakes Day Care Center & Nursery School
Inter-Lakes School District

Kidworks Learning Center
Kingswood Voc Tech Career Day
Kingswood Vocational Student Building Trust
Laconia Area Community Land Trust
Laconia Education Endowment Fund (LEEF)
Laconia School District
Laconia Holiday Parade
Laconia Kiwanis Club
Laconia Personnel Advisory Board
Lakes Region AAU Basketball
Lakes Region Association
Lakes Region Babe Ruth Softball
Lakes Region Board of Realtors Scholarship Committee
Lakes Region Chamber of Commerce
Lakes Region Child Care Services
Lakes Region Community College Advisory Board
Lakes Region General Hospital
Lakes Region Habitat for Humanity
Lakes Region Humane Society
Lakes Region Partnership for Public Health
Lakes Region Planning Committee
Lakes Region Scholarship Foundation

Lakes Region Scholarship Foundation Spelling Bee
Lakes Region Sled Dog Club
Lakes Region United Way
Little Church Theater of Holderness
LRGH Nursery Guild
Making Strides Against Breast Cancer
March of Dimes
Meredith Board of Selectmen
Meredith Chamber of Commerce
Meredith Colony Bay Club
Meredith Fire Department
Meredith Food Pantry
Meredith Hazardous Material Collection Day Team
Meredith Historical Society
Meredith Rotary Club
Meredith Rotary Fishing Derby
Moultonborough Police Department - Christmas Toy Drive
Moultonborough 4th of July Parade
Moultonborough Fire/Rescue Auxillary
Moultonborough Historical Society
Moultonborough Old Home Day
Moultonborough/Sandwich Meals on Wheels
Moultonborough School District
Mountain Top Music Center
Mt Washington Observatory
New Beginnings
New Durham Fire Co Auxillary
New England Handicapped Sports Association



New Hampshire Charitable Foundation
New Hampshire Electric Co-Op Foundation
NH Public Television
Operation Blessings
Parents and Children Together (PACT)
Pemi Baker Literacy
Pemi Youth Center
Philanthropic Education Organization
Plymouth Area Renewable Energy Initiative
Plymouth Chamber of Commerce
Plymouth Christmas Parade
Plymouth Elementary School
Plymouth Rotary
Prescott Farm Conservancy
Rocky Mountain Elk Foundation
Salvation Army
Sandwich Children's Center
Sandwich Fair Association
Sandwich Fair Children's Tractor Pull
Save for America
SCORE
Senior Center of Meredith
Speare Memorial Hospital
Special Olympics
Spinnaker Cove Yacht Club Board of Directors

Squam Lakes Natural Science Center
Taylor Community
Town of Ashland, Christmas Parade
Town of Meredith
Toys for Tots
Tuftonboro Street Cleanup
VNA Hospice of Southern Carroll County
Voices Against Violence
Wentworth Economic Development Corporation
White Mountain National Forest (Smarts Brook Trail Maintenance)
Winnepesaukee Playhouse
WLNH Children's Auction
Wolfeboro 4th of July Parade
Wolfeboro Chamber of Commerce
Wolfeboro Festival of Trees
Wolfeboro Moonlight Madness Event
Wolfeboro Scarecrow Festival
Wolfeboro Village Players
Woodland Heights School PTA (WHAVE)
Zonta Club of the Lakes Region

