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FR Y-6
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Approval expires September 30, 2018
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Board of Governors of the Federal Reserve System

MAR 28 2017



Annual Report of Holding Companies—FR Y-6

Division of Regulation and
Credit DepartmentETV
5/24/17

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Charles Boulrier

Name of the Holding Company Director and Official

President & CEO

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official

Date of Signature

For holding companies not registered with the SEC—
Indicate status of Annual Report to Shareholders:

- ☒ is included with the FR Y-6 report
☐ will be sent under separate cover
☐ is not prepared

For Federal Reserve Bank Use Only

RSSD ID 2912766
C.I. _____

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2016

Month / Day / Year

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Ion Financial, MHC

Legal Title of Holding Company

251 Church Street

(Mailing Address of the Holding Company) Street / P.O. Box

Naugatuck

City

CT

State

06770

Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Dana Silva

Name

VP & Controller

Title

203-720-2530

Area Code / Phone Number / Extension

203-720-5304

Area Code / FAX Number

dsilva@ionbank.com

E-mail Address

Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion
of this report submission?

0=No

1=Yes

0

In accordance with the General Instructions for this report
(check only one),

1. a letter justifying this request is being provided along
with the report ☐
2. a letter justifying this request has been provided
separately ☐

NOTE: Information for which confidential treatment is being
requested must be provided separately and labeled
as "confidential."

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)
December 31, 2015				
Impaired loans	\$ 21,207	Real estate appraisals	Discount for dated appraisals or condition of property	10%-20%
			Discount for appraisal type	0-10%
		Asset appraisals	Discount for payment status	25%-30%
			Discount to inventory	15%-35%
			Discount for accounts receivable	35%-65%
Other real estate owned	\$ 1,296	Real estate appraisals	Discount for dated appraisals or condition of property	10%-20%

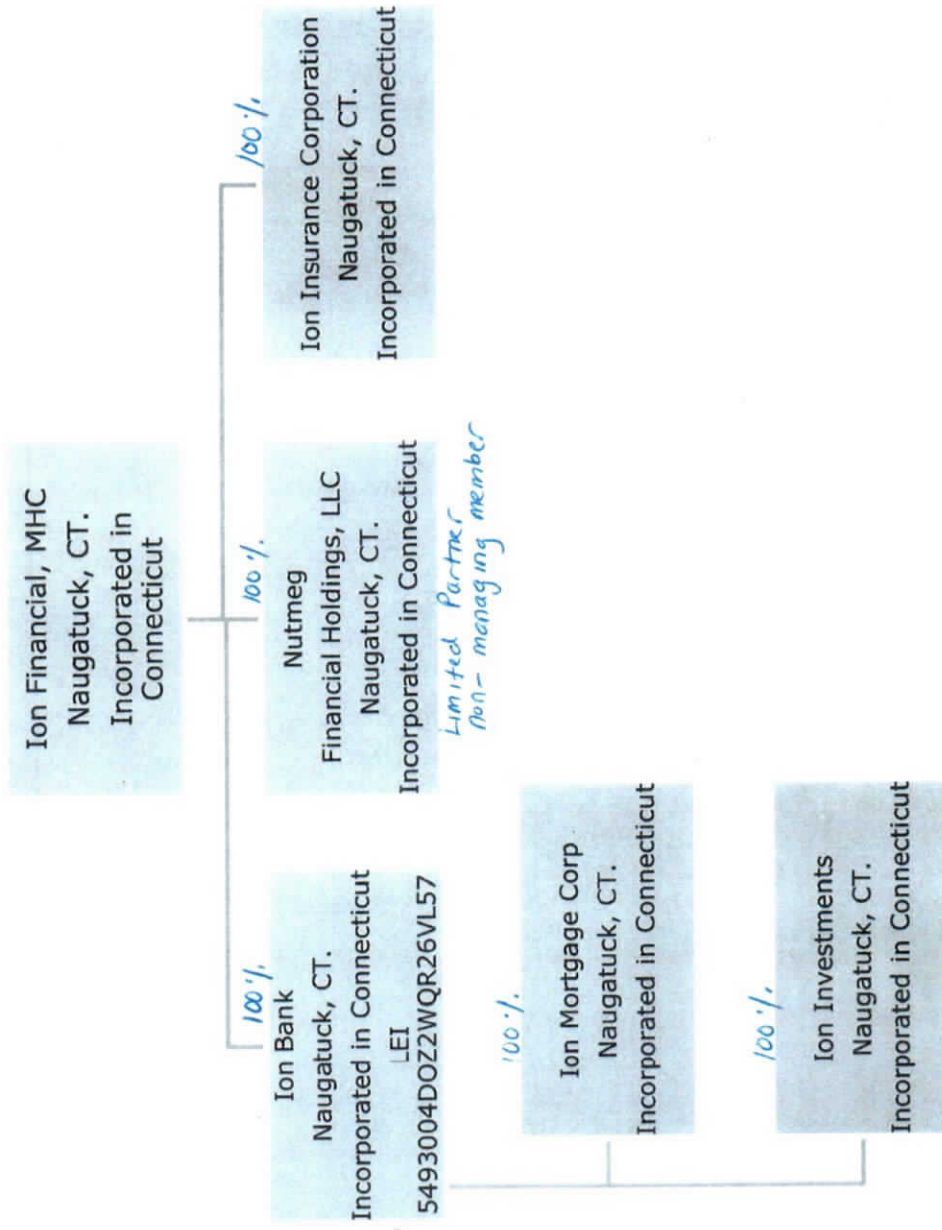
17. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following is a summary of the changes in the components of accumulated other comprehensive loss on an after tax basis for the years ended December 31, 2016 and 2015:

	Pension and Postretirement Plan Liabilities	Net Unrealized Gains on Investment Securities Available for Sale	Net Unrealized Losses on Derivative Cash Flow Hedges	Total Accumulated Other Comprehensive Loss
(In thousands)				
Balance at December 31, 2014	\$ (13,151)	\$ 2,518	\$ (688)	\$ (11,321)
Other comprehensive loss before reclassifications	(219)	(491)	(485)	(1,195)
Amounts reclassified	-	(711)	-	(711)
Current period other comprehensive loss	(219)	(1,202)	(485)	(1,906)
Balance at December 31, 2015	(13,370)	1,316	(1,173)	(13,227)
Other comprehensive loss before reclassifications	233	921	902	2,056
Amounts reclassified	-	(1,480)	-	(1,480)
Current period other comprehensive loss	233	(559)	902	576
Balance at December 31, 2016	\$ (13,137)	\$ 757	\$ (271)	\$ (12,651)

Ion Financial, MHC Overview

Report Item 2a: Organizational Chart



Results: A list of branches for your depository institution: **ION BANK (ID_RSSD: 407506)**.
This depository institution is held by **ION FINANCIAL MHC (3912766) of NAUGATUCK, CT**.
The data are as of **12/31/2016**. Data reflects information that was received and processed through **01/10/2017**.

Reconciliation and Verification Steps

- 1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
- 2. If required, enter the date in the **Effective Date** column

Actions

OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of **Change, Close, Delete, or Add**.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	407506	ION BANK	251 CHURCH STREET, BOX 370	NAUGATUCK	CT	06770	NEW HAVEN	UNITED STATES	12118	0	ION BANK	407506	
OK		Full Service	3139853	ANSONIA BRANCH	75 TREMONT STREET	ANSONIA	CT	06401	NEW HAVEN	UNITED STATES	419057	10	ION BANK	407506	
OK		Full Service	2757595	CHESHIRE BRANCH	218 MAPLE AVENUE	CHESHIRE	CT	06410	NEW HAVEN	UNITED STATES	244244	6	ION BANK	407506	
OK		Full Service	4291646	HAMDEN BRANCH	2989 WHITNEY AVENUE	HAMDEN	CT	06518	NEW HAVEN	UNITED STATES	520802	18	ION BANK	407506	
OK		Full Service	2799399	MERIDEN EAST MAIN OFFICE BRANCH	1231 EAST MAIN STREET	MERIDEN	CT	06450	NEW HAVEN	UNITED STATES	Not Required	Not Required	ION BANK	407506	
OK		Full Service	4302814	MERIDEN WEST BRANCH	500 WEST MAIN STREET	MERIDEN	CT	06451	NEW HAVEN	UNITED STATES	Not Required	Not Required	ION BANK	407506	
OK		Full Service	529800	MIDDLEBURY BRANCH	600 MIDDLEBURY ROAD ROUTE 64	MIDDLEBURY	CT	06762	NEW HAVEN	UNITED STATES	244241	3	ION BANK	407506	
OK		Full Service	1357617	NAUGATUCK BRANCH	87 CHURCH STREET	NAUGATUCK	CT	06770	NEW HAVEN	UNITED STATES	244242	4	ION BANK	407506	
OK		Limited Service	4327255	NAUGATUCK HIGH SCHOOL BRANCH	543 RUBBER AVENUE	NAUGATUCK	CT	06770	NEW HAVEN	UNITED STATES	532127	22	ION BANK	407506	
OK		Full Service	3471218	NEW HAVEN ROAD BRANCH	1430 NEW HAVEN ROAD	NAUGATUCK	CT	06770	NEW HAVEN	UNITED STATES	455237	12	ION BANK	407506	
OK		Full Service	591704	PLAZA BRANCH	727 RUBBER AVENUE	NAUGATUCK	CT	06770	NEW HAVEN	UNITED STATES	244239	1	ION BANK	407506	
OK		Full Service	264307	OXFORD BRANCH	71 OXFORD RD ROUTE 67	OXFORD	CT	06478	NEW HAVEN	UNITED STATES	244240	2	ION BANK	407506	
OK		Full Service	3107076	PROSPECT BRANCH	24 WATERBURY ROAD	PROSPECT	CT	06712	NEW HAVEN	UNITED STATES	363453	9	ION BANK	407506	
OK		Full Service	2879723	SOUTHBURY BRANCH	363 MAIN STREET SOUTH	SOUTHBURY	CT	06488	NEW HAVEN	UNITED STATES	294985	7	ION BANK	407506	
OK		Full Service	4460929	WALLINGFORD BRANCH	665 NORTH COLONY ROAD	WALLINGFORD	CT	06492	NEW HAVEN	UNITED STATES	535277	23	ION BANK	407506	
OK		Full Service	4413907	WATERBURY EAST BRANCH	3670 EAST MAIN STREET	WATERBURY	CT	06705	NEW HAVEN	UNITED STATES	530443	21	ION BANK	407506	
OK		Full Service	3300895	WATERBURY WEST BRANCH	910 WOLCOTT STREET	WATERBURY	CT	06705	NEW HAVEN	UNITED STATES	4431701	11	ION BANK	407506	
OK		Full Service	2979977	WATERTOWN BRANCH	565 STRAITS TURNPIKE	WATERTOWN	CT	06795	NEW HAVEN	UNITED STATES	358795	8	ION BANK	407506	
OK		Limited Service	4442998	NONNEWALG HIGH SCHOOL BRANCH	5 MINORTOWN ROAD	WOODBURY	CT	06798	LITCHFIELD	UNITED STATES	493392	15	ION BANK	407506	
OK		Full Service	1400746	WOODBURY BRANCH	670 MAIN STREET SOUTH	WOODBURY	CT	06798	LITCHFIELD	UNITED STATES	244243	5	ION BANK	407506	

Ion Financial Mutual Holding Company

FR Y-6

December 31, 2016

Report Item 2b Domestic Branch

This item was submitted separately via email on March 23, 2017

Ion Financial Mutual Holding Company

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December 31, 2016

Report Item 3. Securities Holders

NOT APPLICABLE

Ion Financial, MHC
Report Item 4 – Insiders

12/31/2016

1. Name, City and State

Board of Trustees

Charles J. Boulrier III	Wolcott, CT.
Ann Merriam Feinberg	Middlebury, CT.
Richard H. Gesseck	Cheshire, CT.
Lucille Janatka	Woodbury, CT.
David W. Nurnberger	Woodbury, CT.
Gary B. O'Connor	Woodbury, CT.
John H. Tobin	Southbury, CT.
Stephen C. Widman	Middlebury, CT.
Mark C. Yanarella	Naugatuck, CT.

Executive Officers

Charles J. Boulrier, III	President & CEO	Wolcott, CT.
David J. Rotatori	VP, Treasurer, CFO, Secretary	Naugatuck, CT.
Kathleen McPadden	VP	Naugatuck, CT.

2. Principal Occupation, if other than with the holding company

Ann Merriam Feinberg	Retired, VP, CT Community Foundation – Waterbury, CT
Richard H. Gesseck	Retired Partner, Ernst & Young LLP - Hartford, CT
Lucille Janatka	President; Central Region; Hartford Healthcare – New Britain, CT.
David W. Nurnberger	Retired Sr. VP – Boehringer Ingelheim Corp – Ridgefield, CT
Gary B. O'Connor	Partner, Pullman & Comley – Hartford, CT.
John H. Tobin	Retired President & CEO – Waterbury Hospital – Waterbury, CT.
Stephen C. Widman	M.D., Cardiology Associates – Waterbury, CT
Mark C. Yanarella	Retired President & CEO – Naugatuck Savings Bank – Naugatuck, CT.

3. Title or position with:

a. holding company;

Charles J. Boulrier, III	President & CEO; Board of Trustees
Ann Merriam Feinberg	Board of Trustees
Richard H. Gesseck	Board of Trustees
Lucille Janatka	Board of Trustees
David W. Nurnberger	Board of Trustees
Gary B. O'Connor	Board of Trustees
John H. Tobin	Board of Trustees
Stephen C. Widman	Board of Trustees
Mark C. Yanarella	Board of Trustees; Chairman of the Board

Executive Officers

Charles J. Boulrier, III	President & CEO
David J. Rotatori	VP, Treasurer, CFO, Treasurer & Secretary
Kathleen McPadden	VP

b. all direct & indirect subsidiaries

Charles J. Boulrier, III	Ion Bank	President & CEO
	Nutmeg Financial Holding LLC	President & CEO
	Ion Insurance	Board of Directors
	Ion Mortgage Corp	President
	Ion Investment Holding Co	President
	Ion Bank Foundation Inc	President
David J. Rotatori	Ion Bank	EVP, Treasurer, CFO, CRO & Corporate Secretary
	Nutmeg Financial Holding LLC	Secretary
	Ion Insurance	Board of Directors
	Ion Mortgage Corp	Secretary & Treasurer
	Ion Investment Holding Co	Secretary & Treasurer
	Ion Foundation Inc	Secretary & Treasurer
David Drescher	Ion Insurance Corp	President & CEO
Mark C. Yanarella	Ion Bank	Chairman of the Board
Ann Merriam Feinberg	Ion Bank	Board of Director
Richard H Gesseck	Ion Bank	Board of Director
Lucille Janatka	Ion Bank	Board of Director
David W. Nurnberger	Ion Bank	Board of Director
Gary B. O'Connor	Ion Bank	Board of Director

John H. Tobin	Ion Bank	Board of Director
Stephen C. Widman	Ion Bank	Board of Director

c. Any other company in which the person is a director, trustee, partner or exec.

Charles J. Boulter, III	Chairman – American Savings Foundation Chairman – America's Mutual Banks Director – St. Mary's Hospital Foundation Director – Waterbury Regional Chamber of Commerce
Ann Merriam Feinberg	Vice Chair – Western CT Leadership Alumni Director – Pomperaug River Watershed Coalition Director – Gift of Adoption, Inc. Director – Naugatuck Valley Community College Foundation
Richard H. Gesseck	Board of Trustees – Lincoln College of N.E.
David W. Nurnberger	Chairman – Western CT State University Director – Ann's Place, The Home of I Can Director – Simply Smiles
Gary B. O'Connor	Co-Chair – State Brownfield's Working Group Director & Secretary – Loyola Development, Inc Director – Waterbury Regional Chamber of Commerce
John H. Tobin	Chairman – Dora's Hope Board of Directors - Palace Theater Board of Directors - United Way of Greater Waterbury
Stephen C. Widman	Board of Directors - St. Mary's Hospital Foundation CT Chapter Member - American College of Cardiology

4. Percentage of each class of voting securities owned, controlled or held with power to vote in:

- a. The holding company**
Not applicable
- b. Direct and indirect subsidiaries**
Not applicable

- c. Any other company if 25% or more of its outstanding voting securities or proportionate interest in a partnership are held; list the name of the company and percentage of voting securities**

Ann Merriam Feinberg	Westside Medical Group	50%
Mark C. Yanarella	Wedgewood Investments Inc	50%
David J. Rotatori	Equity Property Management LLC	50%
David W. Nurnberger	Simply Smiles Products	49%
John H. Tobin	Nellis & Tobin LLC	50%