

Wachusett Dam, courtesy of Alyssa Duprey.



Experience better banking.

Clinton
Savings Bank
An experience you can bank on.

2015
ANNUAL
REPORT

President & CEO's Message

Dear Friends of Clinton Savings Bank,

For 165 years, Clinton Savings Bank has been a business pillar within the community. Through periods of economic uncertainty, recovery and prosperity, CSB has maintained a reputation of credibility and stability, providing customers with the necessary financial solutions for their day-to-day lives.

However, a lot has changed since 1851, including how our customers bank. Although our mission and core services remain constant, CSB knows that we must continue to transform how we deliver our products and services in order to meet the evolving needs of our current customers and generations to come. I am proud to report that change has only helped the growth of the Bank. Clinton Savings Bank, a wholly-owned subsidiary of Wachusett Financial Services, Inc. and its parent company, Clinton Financial Services, MHC, ended 2015 with more than \$3 million in net income, resulting in a strong return on assets (ROA) of 0.68 percent and a healthy capital ratio of 9.96 percent.

As Clinton Savings Bank grows, it is even more important for us to measure the effect our actions have on the local community. Local businesses prospered in 2015, which contributed to our strongest year ever. Our commercial lenders generated a net growth of \$18 million in loans, an increase of almost 14 percent. In addition to receiving experienced financial assistance, business owners know they can count on the Relationship Managers at Clinton Savings Bank to bring an outstanding level of personal commitment to a banking partnership.

“As Clinton Savings Bank grows, it is even more important for us to measure the effect our actions have on the local community.”

A strong housing market gave our Mortgage Loan Originators another opportunity to guide consumers through the home buying search to help them better understand their mortgage options. Residential lending originated 176 loans in 2015, an increase of almost 40 percent from last year. In order to support this trend, Clinton Savings Bank held six home buying seminars throughout the year designed to educate first-time buyers about the process, as well as inform all buyers about changes in regulations, such as the new TRID rules that went into effect in October. These kinds of resources provide the better banking experience that CSB promises to deliver.

Clinton Savings Bank is always researching and adopting the latest financial products and services to bring our customers greater convenience and satisfaction. Mobile banking continues to become a point of accessibility with customers, where banking transactions can truly occur anytime and anywhere, with the tap of a finger. As adoption rates continue to rise, our mobile app continues to garner very

favorable reviews, averaging 4.5 stars from iTunes®, Android™ and Kindle™ Fire. During 2015, we enhanced our app with a new Mobile Deposit Capture service that launched in July with over 818 users depositing more than \$254,000 in checks within the first six months.

In 2015, our social media presence continued to allow us to keep our finger on the pulse of customer sentiment by responding to questions and providing information on products and services. Our Facebook, Twitter and Instagram fans grew significantly and positioned us as the leader amongst our immediate competition in this platform of communication.

Even with increased use of digital channels, our branches provide that ever-important personal touch that builds trust and engagement with our customers and reinforces our assurance of delivering world-class service. In support of that commitment, we opened a new, state-of-the-art branch in Bolton. In this new facility, the traditional teller line has been replaced by four “dialogue banking” pods. Customers are met by a greeter and taken to one of these workstations where they can experience valuable interactions. Additional amenities are readily available, such as a coin machine, shredder and safe deposit boxes. We were also proud to design a community room for all our customers to enjoy, with a wall of local photography celebrating the town of Bolton.

As always, our focus remains on the well-being of the communities we serve. That is why we’re delighted to help sustain organizations that share our mission. This past year, those organizations included Wachusett Meadow Wildlife Sanctuary, Growing Places, United Way of Tri-County and Homes for our Troops. It is our hope that with our contributions, these organizations can continue to build a better future for our region. That dedication to the future is why CSB also supports the area’s students. Last year we funded sports activities at several local schools and offered scholarships to seven exceptional students.

We look forward to 2016, and we will continue to pursue projects that enhance the overall customer experience to continue improving how you bank.

Sincerely,
Robert J. Paulhus, Jr.
President & CEO



Financials

Clinton Financial Services, MHC and Subsidiary* Consolidated Balance Sheets

December 31, 2015 and 2014 (In Thousands Except Share Data – Audited)

ASSETS	2015	2014	Variance
Cash and due from banks	\$4,266	\$4,268	\$-2
Interest-bearing demand deposits with other banks	2,181	1,864	317
Cash and cash equivalents	6,447	6,132	315
Interest-bearing time deposits with other banks	100	100	0
Investments in available-for-sale securities (at fair value)	89,690	88,567	1,123
Federal Home Loan Bank stock, at cost	3,776	3,515	261
Loans, net	380,941	360,065	20,876
Premises and equipment, net	6,794	5,757	1,037
Accrued interest receivable	1,389	1,377	12
Other real estate owned	-	1,354	-1,354
Cash surrender value of life insurance policies	14,278	13,806	472
Deferred tax asset, net	2,304	2,214	90
Other assets	1,247	1,985	-738
Total assets	\$506,966	\$484,872	\$22,094
LIABILITIES AND EQUITY			
Deposits:			
Noninterest-bearing	\$36,705	\$31,675	\$5,030
Interest-bearing	346,518	342,517	4,001
Total deposits	383,223	374,192	9,031
Federal Home Loan Bank advances	63,585	56,262	7,323
Securities sold under agreements to repurchase	4,739	1,295	3,444
Subordinated debt	7,732	7,732	0
Capital lease obligation	623	637	-14
Due to broker	-	513	-513
Other liabilities	4,096	4,005	91
Total liabilities	463,998	444,636	19,362
Equity:			
Preferred stock, par value \$1.00 per share; authorized 500,000 shares;	-	-	
no shares issued	-	-	
Retained earnings	42,318	39,175	3,143
Accumulated other comprehensive income	650	1,061	-411
Total equity	42,968	40,236	2,732
Total liabilities and equity	\$506,966	\$484,872	\$22,094

Financials

Clinton Financial Services, MHC and Subsidiary* Consolidated Statements of Income

December 31, 2015 and 2014 (In Thousands – Audited)

Interest and dividend income:	2015	2014	Variance
Interest and fees on loans	\$16,243	\$16,107	\$136
Interest on debt securities:			
Taxable	1,322	1,488	-166
Tax-exempt	751	642	109
Dividends	315	257	58
Other interest on short-term investments	6	10	-4
Total interest and dividend income	18,637	18,504	133
Interest expense:			
Interest on deposits	1,786	1,889	-103
Interest on Federal Home Loan Bank advances	869	677	192
Interest on subordinated debt	247	242	5
Interest on capital lease obligation	62	63	-1
Total interest expense	2,964	2,871	93
Net interest and dividend income	15,673	15,633	40
Provision for loan losses:	-	140	-140
Net interest and dividend income after provision for loan losses	15,673	15,493	180
Noninterest income:			
Customer service fees	1,300	1,290	10
Gain on securities, net	496	454	42
Gain on sales of mortgages	195	74	121
Loan servicing fees, net	121	123	-2
Bank owned life insurance income	472	476	-4
Other income	241	19	222
Total noninterest income	2,825	2,436	389
Noninterest expense:			
Salaries and employee benefits	9,101	8,401	700
Occupancy expense	988	924	64
Equipment expense	994	952	42
Data processing expense	789	807	-18
Professional fees	408	415	-7
Advertising and marketing	511	464	47
FDIC assessment	318	314	4
Other real estate owned expense	13	204	-191
Other expense	1,473	1,524	-51
Total noninterest expense	14,595	14,005	590
Income before income tax expense	3,903	3,924	-21
Income tax expense	760	820	-60
Net income	\$3,143	\$3,104	\$39

*Clinton Financial Services, MHC, a Massachusetts Mutual Holding Company (MHC), its wholly-owned subsidiary Wachusett Financial Services, Inc., its wholly-owned subsidiary Clinton Savings Bank, a state chartered savings bank, and the Bank's wholly-owned subsidiaries, Clinton Securities Corp and Wachusett Realty, LLC.

Board of Directors



William E. O'Neil, Jr.
Chairman of the Board
Executive Committee
Current Term Ends 2018

Robert M. Farragher
Vice Chairman of the Board
Executive Committee
Governance Committee
Current Term Ends 2017

Paul B. Cherubini
Clerk of the Corporation
Executive Committee
Governance Committee
Current Term Ends 2016

Robert J. Paulhus, Jr.
President & CEO
Executive Committee
Current Term Ends 2018

John F. Hogan
Audit Committee
Governance Committee
Current Term Ends 2016

John F. Kilcoyne
Audit Committee
Compensation Committee
Current Term Ends 2016

Barbara E. King
Executive Committee
Compensation Committee
Current Term Ends 2018

Maureen K. Quill
Audit Committee
Compensation Committee
Current Term Ends 2017

David E. Ross
Executive Committee
Governance Committee
Current Term Ends 2017

Stanley B. Starr, Jr.
ALCO Committee
Compensation Committee
Current Term Ends 2018

Timothy H. Wheeler
Audit Committee
Governance Committee
Current Term Ends 2016



MHC Officers

William E. O'Neil, Jr.
Chairman of the Board

Robert M. Farragher
Vice Chairman of the Board

Paul B. Cherubini
Clerk of the Corporation

Robert J. Paulhus, Jr.
President & CEO

Richard R. Hayward, Jr.
Treasurer



New Bolton Branch Opens

CSB has been a proud part of the town of Bolton for over 30 years, first opening our doors in the early 1980s at the Salt Box, located on Route 117, and moving to 563 Main Street in 1991. In 2015 we built a new, state-of-the-art branch, which officially opened in 2016, across the street at 562 Main Street to enhance our presence off the popular Route 495. As part of this robust community, the branch is uniquely positioned to offer the ultimate banking conveniences of today's technological age while still keeping with the historical nature of the Bolton landscape.

Clinton Savings Bank Officers

Robert J. Paulhus, Jr.
President & CEO

Leonard T. Anctil
SVP/Senior Commercial Lending Officer

Mary T. Dean
SVP/CIO/Operations

Richard R. Hayward, Jr.
SVP/CFO/Treasurer

Ellen J. McGovern
SVP/Chief Marketing Officer

Linda M. Midura
SVP/Director of Human Resources

Edward M. Powers
SVP/Chief Lending Officer

Michael D. Tenaglia*
SVP/CIO/Operations

David A. Harmon
SVP/Commercial Lending Officer

Maria Heskes-Allard
SVP/Commercial Lending Officer

Robert G. Rivard
SVP/Commercial Lending Officer

Sheila A. Azorandia
VP/Comptroller

Debra A. Colonna
VP/Mortgage Operations Manager

Jeanie Connolly
VP/Commercial Lending Officer

Holly A. Connors
VP/Operations Manager

Majlinda Haxhiaj
VP/Branch Administrative Manager

Debra M. Minor
VP/Credit Manager

Paula E. Paldino
VP/Compliance & Security Officer

Scott A. Youlden
VP/Information Technology Officer

Kristen M. Farragher
AVP/Branch Manager, Sterling

Kathleen A. Flaherty
AVP/Lending Compliance Officer

Robert P. Fontaine
AVP/Senior Mortgage Underwriter

Mark M. Geres
AVP/Mortgage Originator

Mary E. LaFleur
AVP/Collections and Loan Servicing Manager

Mark E. LaMountain
AVP/Mortgage Originator

Jennifer A. Maynard
AVP/Branch Manager, West Boylston

Danielle M. McCarter
AVP/Human Resources Manager

Lynne G. McCormack
AVP/Commercial Portfolio Manager

Paula H. Mollov
AVP/Consumer Loan Officer

Jill E. Parcell
AVP/Branch Manager, Bolton

John G. Ryan
AVP/Mortgage Originator

Kristin E. Zirkel
AVP/Senior Marketing Manager

Geoffrey S. Green
Branch Manager, Berlin

Michele Hazelhurst
Branch Manager, Boylston

Linnea C. Miley
Credit Officer

*Retired 3/31/2016. Succeeded by Mary. T. Dean.



Mission Statement

Clinton Savings Bank is committed to the communities it serves and strives to consistently deliver quality financial services based on customer needs through highly motivated employees interested in making the bank a great place to work.

Senior Management Team

Robert J. Paulhus, Jr.
President & CEO

Leonard T. Anctil
SVP/Senior Commercial Lending Officer

Mary T. Dean
SVP/CIO/Operations

Richard R. Hayward, Jr.
SVP/CFO/Treasurer

Ellen J. McGovern
SVP/Chief Marketing Officer

Linda M. Midura
SVP/Director of Human Resources

Edward M. Powers
SVP/Chief Lending Officer

Michael D. Tenaglia*
SVP/CIO/Operations

*Retired 3/31/2016. Succeeded by Mary T. Dean.

Corporators

Thanks to our Corporators

Thank you to all of our Corporators who continuously promote Clinton Savings Bank, through referring business and providing feedback of the Bank's services and personal attention the staff gives to each and every customer.

You are a key link between the Bank and our communities we serve, and those efforts represent an important competitive edge as promoters of the Bank and our public image.

Name	Term Ends	Name	Term Ends	Name	Term Ends
Mr. Leonard T. Ancil	2019	Ms. Janice L. Fuller	2017	Mr. Robert C. Ordnung	2018
Ms. Sheila A. Azorandia	2024	Dr. Peter A. Garofoli	2017	Mr. Genaro R. Paen	2023
Atty. Albert A. Barbieri, Jr.	2017	Mr. David R. Glispin	2020	Mr. Robert J. Paulhus, Jr.	2020
Ms. Joanne Bergen	2018	Ms. Eileen Griffin-Wright	2021	Atty. Stephen J. Philbin	2023
Mr. Victor S. Bhakta	2017	Ms. Diane C. Haarmann	2018	Mr. Paul Q. Polewarczyk	2019
Ms. Jane D. Boquist*	2016	Mr. Richard R. Hayward, Jr.	2022	Mr. Edward M. Powers	2022
Mr. Harold E. Brown	2020	Ms. Maria Heskes-Allard	2016	Ms. Maureen K. Quill	2025
Atty. Francis C. Burke, Jr.	2022	Mr. David M. Hinckley	2020	Mr. William M. Reisner	2022
Mr. David S. Butler	2024	Mr. John F. Hogan, Jr.	2018	Mr. James Riseborough	2018
Ms. Cynthia E. Cannon	2025	Mr. Matthew T. Hollister	2022	Mr. Christopher J. Rogers	2016
Ms. Maryann N. Castillo	2019	Atty. Jane K. Innamorati	2025	Mr. David E. Ross	2023
Mr. David Chandler	2020	Dr. Theresa E. Kane	2021	Mr. Raymond J. Salmon, Jr.	2018
Mr. John Chandler	2020	Mr. John F. Kilcoyne	2025	Atty. Gary P. Sanginario	2025
Mr. John C. Cherubini	2023	Ms. Barbara E. King	2022	Ms. Jane L. Sawyer	2019
Mr. Paul A. Cherubini	2018	Mr. John P. Kittredge, Jr.	2025	Mr. Harold Schonbeck*	2017
Mr. Paul B. Cherubini	2022	Mr. Mark R. Laverdure	2021	Ms. Jean D. Sifleet	2022
Mr. Dennis P. Ciccone	2019	Ms. Cathleen E. Llanso	2017	Dr. William R. Southworth	2019
Mr. Warren W. Clarke	2024	Mr. Donald A. Lowe	2022	Mr. David K. Stadtherr	2020
Mr. Matthew P. Colangelo	2019	Mr. Robert H. MacKay	2017	Mr. Stanley B. Starr, Jr.	2020
Mr. Thomas R. Comeau	2022	Ms. Maegen N. McCaffrey	2020	Ms. Carolyn C. Stimpson	2019
Dr. Charles P. Conroy	2025	Ms. Ellen J. McGovern	2016	Mr. Kenneth G. Sydow	2016
Mr. Laurence T. Crossman	2019	Atty. William T. McGrail*	2019	Mr. David N. Tinsley	2020
Ms. Cynthia J. Curley	2023	Mr. Robert J. McIntyre	2020	Mr. James A. Tomolo, Jr.	2019
Ms. Kali H. Delorey	2024	Ms. Lucinda J. McLaughlin	2019	Mr. Richard C. Traina	2016
Dr. Roger P. Desilets	2022	Mr. Brian J. McNally	2019	Mr. Michael B. Wade	2019
Mr. Dale A. DiMeco	2021	Mr. Robert J. McNally	2016	Dr. Richard R. Waller, Jr.	2021
Mr. Robert B. Doane	2022	Mr. Anthony R. Melone	2021	Mr. Timothy H. Wheeler	2016
Ms. Pamela D. Dobeck	2019	Mr. Steven Mendoza	2022	Ms. Bobbi-Jo A. Williams	2019
Ms. Evelyn M. Dueck	2017	Mr. David P. Mercurio	2016	Mr. Christopher J. Williams	2023
Mr. Robert D. Ebstein	2023	Ms. Linda M. Midura	2022	Ms. Kristin E. Zirkel	2023
Mr. Robert M. Farragher	2023	Mr. Jason T. Murray	2021		
Ms. Kerry A. Flathers	2025	Atty. Harold P. Naughton, Jr.	2019		
Mr. David I. Frem	2021	Atty. William E. O'Neil, Jr.	2018		

*Retiring Corporator

Branch Locations

Clinton Branch
200 Church Street
Clinton, MA 01510
(978) 365-3700

Berlin Branch
35 Central Street
Berlin, MA 01503
(978) 838-2286

Bolton Branch ***NEW***
562 Main Street
Bolton, MA 01740
(978) 779-2857

Boylston Branch
81 Shrewsbury Street
Boylston, MA 01505
(508) 869-3122

West Boylston Branch
306 West Boylston Street
West Boylston, MA 01583
(508) 835-9955

Sterling Branch
1 Main Street
Sterling, MA 01564
(978) 422-8133



Member DIF

