



Clinton
Savings Bank



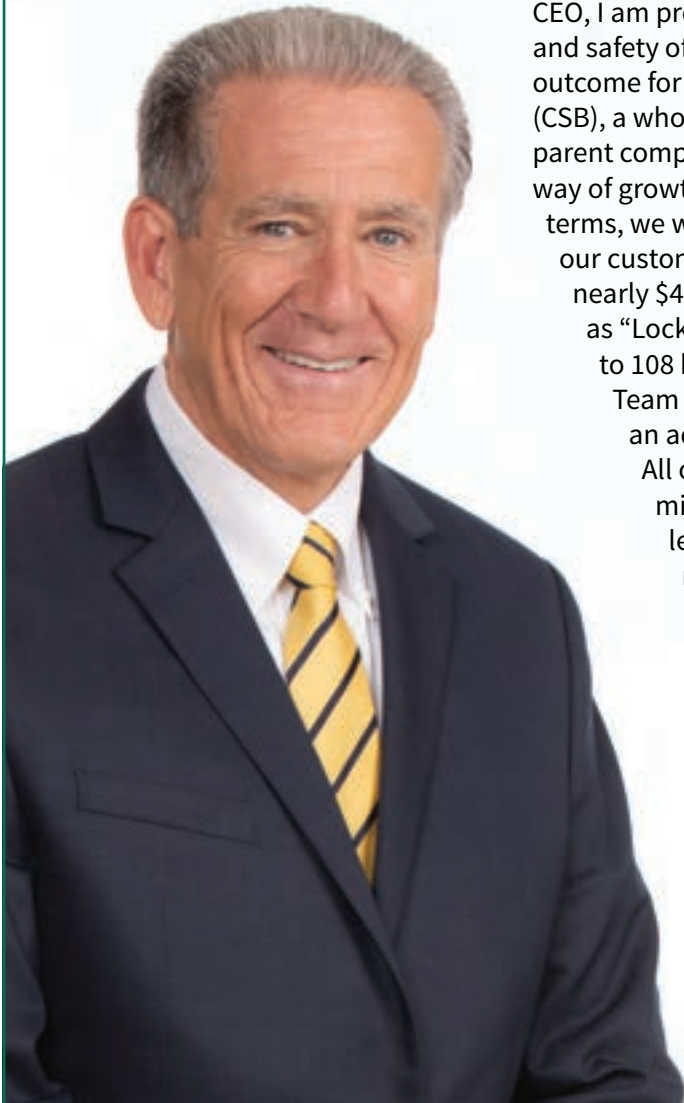
MISSION STATEMENT

Clinton Savings Bank, a bank committed to the communities it serves, 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.

PRESIDENT'S MESSAGE

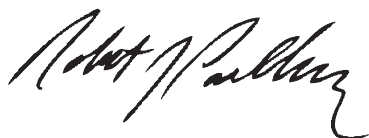


This year we faced a truly unprecedented situation – a global coronavirus pandemic soon to be known as COVID-19. It has and is still affecting all of our families, our businesses, our communities, and our way of life. This is far from the world's first pandemic, but it's the first of this scale in our lifetimes. It's not often that we realize we're in a historical moment as it's happening, but this is one of those times and the story is still unfolding. None of us knows how this will end. It's hard to predict when it will even feel "normal." At some point confirmed cases of COVID-19 will hopefully subside and go away, but left in the outbreak's wake will be collateral damage that, on a personal level, will affect many of us far more than the virus itself. The pandemic reminded us that we're all connected like never before. We're called upon to be our best selves, with patience, understanding and compassion, and as President and CEO, I am proud to say we did just that. We remained focused on the health and safety of our employees and families while serving the community. The outcome for 2019 is one that I am pleased to report on. Clinton Savings Bank (CSB), a wholly-owned subsidiary of Wachusett Financial Services and its parent company Clinton Financial Services, MHC, had another solid year by way of growth in assets, deposits, and investments. With attractive rates and terms, we were able to provide 115 auto loans for almost \$2 million to meet our customers' needs. We extended mortgage loans to 166 households for nearly \$43 million to finance their homes through specialty programs such as "Lock and Shop" and "Equity Builder", and an additional \$12 million to 108 households in home equity loans. In addition, our Commercial Team extended almost \$20 million in capital for 44 term loans and an additional \$23 million in lines of credit to our small businesses. All of the excellence in service to our customers resulted in \$585 million in assets at December 31, 2019, a net income at the Bank level of over \$5 million and a ROA of 0.90%, with a strong capital ratio of 11.39% at year end. At CSB we are always building on our history that began more than 169 years ago in 1851. Our legacy as a caring and trusted financial partner is important, but we must continue to anticipate the wants and preferences of our customers in a dynamically changing social and technological environment – with products and services that they need for financial success to meet their changing needs now and in the future. Our staff, both front line and back office, plays a key role in this endeavor. Through their interactions with customers comes a wealth of



Robert J. Paulhus, Jr.
Clinton Savings Bank
President & CEO

insight into the evolving needs of our clients. Last year, we leveraged technology with products that allowed consumers to access the Bank where and when they wanted to. We accomplished this through our new eXPERIENCE online savings account, which by year-end had over \$10 million in deposits, Apple Pay™, for a more secure and easy way to pay at local retailers, and mobile banking upgrades for money management tools to stay on top of spending with one easy-to-use budget tool to manage finances together with confidence and ease. Individuals and businesses who are technology dependent still want the option of getting in-person advice when they need it. So, even as we expand our offering of digital access to all of our services from anywhere/anytime, we will continue to complement that with physical locations providing one-on-one access to our team of Relationship Banking professionals, each with their own set of tools for service and guidance, so that the transition between branches and technology is seamless and convenient. This is just one of the ways we are helping our customers “Go Beyond Banking™” with CSB – as you may have experienced. We are also using the phrase “Go Beyond Banking™” in our marketing materials to highlight our commitment to technology growth mixed with unwavering human interaction in our customers’ personal and professional financial journey. In 2019 we showcased our recently renovated Sterling Branch, equipped with the latest in technology and an open concept for more customer engagement. In addition, to support our growth, we purchased the building that houses our Berlin branch, and will be celebrating a remodel later in 2020. Going forward, we will continue to assess new locations to expand our physical branch footprint to help us better serve our communities. Providing affordable financial services, including guidance to consumers and businesses in our geographic footprint, in and of itself, is a tremendous value to all. In addition, we are committed to being an involved partner as we strive to improve each neighborhood. To that end, our support to financial education, youth, basic needs, arts and schools was, and still is, evident in our collaboration with our community leaders in 2019. These alliances included sponsoring or participating in 36 local events, and contributing almost \$50,000 to non-profits through charitable donations and corporate sponsorships, including \$7,000 in scholarships for financial education. Clinton Savings Bank will remain one that embraces innovation and transformation, ensuring we employ it in ways that are relevant, today and in the future. Our dedicated staff throughout the Bank will be there to support our customers and businesses as we have for the last century and a half. Our longevity is driven by the idea that we will always stay true to the mission of improving lives over the course of time, and as those needs change. With generations of committed leaders, employees, and our strong Board, along with people who understand the value proposition of a financial institution that has their best interest in mind, propels Clinton Savings Bank forward and into the future - as we “Go Beyond Banking™”.



FINANCIALS

Clinton Financial Services, MHC AND Subsidiary* Consolidated Balance Sheets

December 31, 2019 and 2018 (In Thousands - Audited)

	2019	2018	Variance
ASSETS			
Cash and due from banks	3,404	10,333	(6,929)
Interest-bearing demand deposits with other banks	23,992	3,307	20,685
Cash and cash equivalents	27,396	13,640	13,756
Interest-bearing time deposits with other banks	100	100	-
Investments in available-for-sale securities (at fair value)	100,409	91,142	9,267
Equity Securities (Fair Value)	6,501	-	6,501
Federal Home Loan Bank stock, at cost	2,901	3,989	(1,088)
Loans, net	420,015	438,728	(18,713)
Premises and equipment, net	6,713	6,448	265
Accrued interest receivable	1,643	1,708	(65)
Other real estate owned	609	-	609
Cash surrender value of life insurance policies	15,431	15,179	252
Deferred tax asset, net	1,676	2,607	(931)
Other assets	2,842	1,682	(1,160)
Total assets	586,236	575,223	11,013

LIABILITIES AND EQUITY			
Deposits:			
Non-interest-bearing	49,074	56,844	(7,770)
Interest-bearing	406,430	372,690	33,740
Total deposits	455,504	429,534	25,970
Federal Home Loan Bank advances	53,000	78,500	(25,500)
Securities sold under agreements to repurchase	5,422	2,045	3,377
Subordinated debt	7,732	7,732	-
Capital lease obligation	446	476	(30)
Other liabilities	5,048	4,874	174
Total liabilities	527,152	523,161	3,991
Equity:			
Retained earnings	58,796	54,086	4,710
Accumulated other comprehensive (loss) income	288	(2,024)	(1,736)
Total equity	59,084	52,062	7,022
Total liabilities and equity	586,236	575,223	11,013

*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.

Clinton Financial Services, MHC AND Subsidiary*

Consolidated Statements of Income

Years Ended December 31, 2019 and 2018 (In Thousands - Audited)

	2019	2018	Variance
INTEREST AND DIVIDEND INCOME			
Interest and fees on loans	20,199	19,466	733
Interest on debt securities:			
Taxable	1,571	1,423	148
Tax-exempt	903	867	36
Dividends	393	388	5
Other interest on short-term investments	285	24	261
Total interest and dividend income	23,351	22,168	1,183
INTEREST EXPENSE			
Interest on deposits	4,077	2,566	1,511
Interest on Federal Home Loan Bank advances	1,492	1,564	(72)
Interest on subordinated debt	416	393	23
Interest on capital lease obligation	32	34	(2)
Total interest expense	6,017	4,557	1,460
Net interest and dividend income	17,334	17,611	(277)
Provision for loan losses	50	330	(280)
Net interest and dividend income after provision for loan losses	17,284	17,281	3
NON-INTEREST INCOME			
Customer service fees	1,263	1,246	17
Gain on sales of available-for-sale securities, net	40	1,602	(1,562)
Net gain, marketable equity securities	1,074	-	1,074
Gain on sales of mortgages	185	121	64
Loan servicing fees, net	112	124	(12)
Bank owned life insurance income	702	695	7
Other income	362	91	271
Total non-interest income	3,738	3,879	(141)
NON-INTEREST EXPENSE			
Salaries and employee benefits	9,346	9,504	(158)
Occupancy expense	990	878	112
Equipment expense	969	966	3
Data processing expense	844	777	67
Professional fees	426	390	36
Advertising and marketing	523	528	(5)
FDIC assessment	78	157	(79)
Other expense	1,886	1,725	161
Total non-interest expense	15,062	14,925	137
Income before income tax expense	5,960	6,235	(275)
Income Tax Expense	1,058	1,091	(33)
Net income	4,902	5,144	(242)

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THE IMPACT OF COMMUNITY COMMITMENT

Commitment is dedication to a particular organization, cause, or belief, and a willingness to get involved. At CSB commitment is the backbone of our organization. It is what gives us strength and creates the bond between our neighbors and their community. For over 169 years our essential ingredient is to be personally involved in our communities, resulting in a degree of trust and loyalty that we are proud of.



BOARD OF DIRECTORS



William E. O'Neil, Jr. ¹
Chairman of the Board
Current Term Ends 2021



Robert M. Farragher ¹
Vice Chairman of the Board
Current Term Ends 2020



Timothy H. Wheeler ¹
Clerk of the Corporation
Current Term Ends 2022



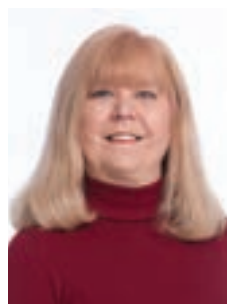
Robert J. Paulhus, Jr. ^{1,5}
President & CEO
Current Term Ends 2021



John F. Hogan ^{2,3}
Current Term Ends 2022



John F. Kilcoyne ^{1,3}
Current Term Ends 2022



Barbara E. King ^{1,3}
Current Term Ends 2021



Maureen K. Quill ^{2,3}
Current Term Ends 2020



Stanley B. Starr, Jr. ^{3,4}
Current Term Ends 2021



Christopher J. Williams ²
Current Term Ends 2022



Charles P. Conroy ²
Current Term Ends 2020

- ¹ Executive Committee
- ² Audit Committee
- ³ Compensation Committee
- ⁴ ALCO Committee
- ⁵ Member of Senior Management Team

CLINTON FINANCIAL SERVICES, MHC OFFICERS

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

Timothy H. Wheeler
Clerk of the Corporation

Richard R. Hayward, Jr.
Treasurer

Robert M. Farragher
Vice Chairman of the Board

Robert J. Paulhus, Jr.
President & CEO

CLINTON SAVINGS BANK OFFICERS

Robert J. Paulhus, Jr.
President & CEO

Leonard T. Anctil
SVP/Senior Commercial Lending Officer

Mary T. Dean
SVP/Chief Information Officer

Richard R. Hayward, Jr.
EVP/Chief Financial Officer/Treasurer

Nicole L. Martin
SVP/Branch Administration

Ellen J. McGovern
SVP/Chief Marketing Officer

Linda M. Midura
SVP/Director of Human Resources

Bernard P. Gagnon
SVP/Commercial Lending Officer

Daniel J. Kelser
SVP/Commercial Lending Officer

Robert G. Rivard
SVP/Commercial Lending Officer

Marina I. Taylor
SVP/Commercial Lending Officer

Debra A. Colonna
VP/Retail Lending Officer

Pamela J. Cutler
VP/Operations Manager

Kathleen A. Flaherty
VP/Compliance & CRA Officer

Majlinda Haxhiaj
VP/Small Business Development Officer

Lynne G. McCormack
VP/Commercial Portfolio Manager

Debra M. Minor
VP/Credit Manager

Paula E. Paldino
VP/Compliance & Security Officer

Lawrence R. Palmer
VP/Information Technology Officer

Lisa A. Poirier
VP/Controller

Elisa A. Cuddy
AVP/Mortgage Originator

Andrea C. Santiago
VP/Branch Manager, Clinton

Robert P. Fontaine
AVP/Senior Mortgage Underwriter

Geoffrey S. Green
AVP/Branch Manager, Berlin

Michele Hazelhurst
AVP/Branch Manager, Boylston

Bonnie J. Kinsman
AVP/Collections & Loan Servicing Manager

Danielle M. McCarter
AVP/Human Resources Manager

Linnea C. Miley
AVP/Credit Officer

Kristen M. Paige
AVP/Compliance Specialist

Jill E. Parcell
AVP/Branch Manager, West Boylston

John G. Ryan
AVP/Mortgage Originator

Patricia M. Smith
AVP/Branch Manager, Bolton

Michelle M. Boudreau
Consumer Loan Officer

Jessica M. Favreau
Commercial Officer

Christopher R. Gillin
Branch Manager, Sterling

Gladys Colon-Grampetro
Mortgage Underwriter

Samantha L. Ingui
Operations Officer

Kelly J. Manz
Consumer Loan Officer

Catherine M. Wade
Residential Lending QC Analyst

CLINTON SAVINGS BANK 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.
EVP/CFO/Treasurer

Nicole L. Martin
SVP/Branch Administration

Ellen J. McGovern
SVP/Chief Marketing Officer

Linda M. Midura
SVP/Director of Human Resources

CORPORATORS

NAME	TERM ENDS	NAME	TERM ENDS	NAME	TERM ENDS
Atty. Albert A. Barbieri, Jr.	2027	Mr. Jonathan L. Gulliver	2029	Mr. Jason T. Murray	2021
Ms. Joanne Bergen	2028	Mr. Richard R. Hayward Jr.	2022	Atty. Harold P. Naughton, Jr.	2029
Mr. Victor S. Bhakta	2027	Dr. Myles F. Heffernan, Jr. DDS	2026	Mr. Stephen A. O'Neil	2028
Dr. Lindsay A. Bruneau, DMD	2026	Mr. David M. Hinckley	2020	Atty. William E. O'Neil Jr.	2028
Mr. David S. Butler	2024	Mr. John F. Hogan	2028	Mr. Robert C. Ordnung	2028
Ms. Cynthia E. Cannon	2025	Mr. Matthew T. Hollister	2022	Mr. Genaro R. Paen	2023
Mr. John Chandler	2020	Atty. Jane K. Innamorati	2025	Mr. Robert J. Paulhus, Jr.	2020
Mr. John C. Cherubini	2023	Dr. Theresa E. Kane	2021	Atty. Stephen J. Philbin	2023
Mr. Paul A. Cherubini	2028	Mr. John F. Kilcoyne	2025	Ms. Catherine M. Phillips	2028
Mr. John W. Child, Jr.	2028	Ms. Barbara E. King	2022	Mr. Paul Q. Polewarczyk	2029
Mr. Dennis P. Ciccone	2029	Mr. John P. Kittredge, Jr.	2025	Ms. Maureen K. Quill	2025
Mr. Matthew P. Colangelo	2029	Mr. Peter F. Kovago	2028	Mr. Christopher J. Rogers	2026
Mr. Kenneth A. Cole, Jr.	2028	Mr. Mark R. Laverdure	2021	Mr. Raymond J. Salmon, Jr.	2028
Mr. Thomas R. Comeau	2022	Ms. Catherine M. Livingstone	2029	Atty. Gary P. Sanginario	2025
Dr. Charles P. Conroy	2025	Mr. Carlos Llanos	2027	Dr. William R. Southworth	2029
Mr. Laurence T. Crossman	2029	Mr. Donald A. Lowe	2022	Mr. David K. Stadtherr*	2020
Ms. Cynthia J. Curley	2023	Mr. Robert H. MacKay	2027	Mr. Stanley B. Starr, Jr.	2020
Ms. Mary T. Dean	2026	Ms. Nicole L. Martin	2027	Ms. Carolyn C. Stimpson	2029
Ms. Kali H. Delorey	2024	Ms. Maegen N. McCaffrey	2020	Mr. Kenneth G. Sydow	2026
Mr. Dale A. DiMeco	2021	Ms. Ellen J. McGovern	2026	Mr. David N. Tinsley*	2020
Ms. Pamela D. Dobeck	2029	Mr. Patrick A. McGrail	2026	Mr. James A. Tomolo, Jr.	2029
Ms. Patricia L. Drinkwater	2029	Ms. Lucinda J. McLaughlin	2029	Mr. Richard C. Traina	2026
Ms. Evelyn M. Dueck	2027	Mr. Brian J. McNally	2029	Mr. Giuseppe Villani	2029
Mr. Robert D. Ebstein	2023	Mr. Robert J. McNally	2026	Mr. Michael B. Wade*	2029
Mr. Robert M. Farragher	2023	Mr. Anthony R. Melone	2021	Dr. Richard R. Waller, Jr.	2021
Ms. Kerry A. Flathers	2025	Mr. Steven Mendoza	2022	Mr. Timothy H. Wheeler	2026
Mr. David I. Frem	2021	Mr. David P. Mercurio	2026	Ms. Bobbi-Jo A. Williams	2029
Ms. Janice L. Fuller	2027	Dr. Steven C. Meyer, Ed.D	2029	Mr. Christopher J. Williams	2023
Mr. David R. Glispin	2020	Ms. Linda M. Midura	2022		
Ms. Caryn L. Gorczynski	2026	Mr. Dennis F. Murphy, III	2028		

*Retiring Corporator



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