



# 2020 ANNUAL REPORT

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What we have,  
what we've learned,  
and what we've gained.

## 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

As we entered 2020 and the beginning of a new decade, nobody could have predicted what the year would eventually bring. You can't look back at 2020 without using an acronym most of us had never heard of before, and that acronym is COVID-19. This was a year where the pace of change, across many aspects of our lives, seemed to constantly transform. A year that required us to be both strong and humble, confronting many unknowns and making sacrifices — large and small — in the hopes it would contribute to better days ahead.

We started 2020 somewhat normally. The economy was slowing down a bit and the real estate sector was doing well. Then in March, the economy shut down like it never had before. We had a historic drop in the stock market and interest rates plunged as the Federal Reserve pulled out all the stops to help rescue the economy. Even though stocks rebounded later in the year, rates remained at historic lows. Congress also acted to stimulate the economy, with an estimated two-year impact that will be over \$902 billion in tax relief to consumers and local small businesses.

The ups and downs of 2020 have certainly given us greater perspective, appreciation, and inspiration. It may not have been the year we planned for...but as we take this moment to reflect, and describe the year in a few words, these are what come to mind — resiliency, innovation, compassion, and loyalty. We have seen these expressions demonstrated repeatedly by our staff as many of them, when the coronavirus pandemic first hit, had to switch gears to quarantine and adjust to working from home. We needed to quickly make customer communication easily accessible and give our team the tools they needed to work remotely. There may have been a few bumps in the road and a steeper learning curve along the way, but with perseverance, we succeeded and were able to provide the same exceptional customer experience through effective digital support and proactive contact to engage with our customers. Our retail staff quickly adjusted to the ever-changing guidelines as well to serve our customers ever more courteously and all with a smile that permeated through their masks. For this, we can't thank them enough.

As a result, Clinton Savings Bank (CSB), a wholly-owned subsidiary of Wachusett Financial Services and its parent company Clinton Financial services, MHC, had a successful year despite the challenging environment. With record low interest rates, we experienced a wave of customer inquiries regarding mortgage products which resulted in loan originations of \$65 million for consumers to purchase new homes and refinance existing ones. For customers who were experiencing financial hardship due to job loss during the pandemic, we were able to support them through loan modifications.



When the Small Business Administration (SBA) introduced assistance during the COVID-19 crisis to help small businesses we stepped up by providing Payroll Protection Program (PPP) loans to businesses that needed them the most. We closed 240 loans totaling almost \$30 million. In addition, our Commercial Team helped many small businesses expand and remain open by extending over \$61 million in term loans and an additional \$20 million in lines of credit.

Despite the impact COVID-19 had on the economy this past year, we can say with confidence that our continued growth and momentum greatly contributed to the strong financial performance we experienced in 2020. We exceeded many of the goals across several areas of our business lines, ending the year with \$630 million in assets, an increase of \$45 million from 2019, a net income at the Bank level of \$3.84 million, an ROA of 0.63%, and a strong capital ratio of 11.09%.

As we close out a year so full of uncertainty and difficulty, we can't help but feel appreciative for what we have, what we've learned, and what we've gained. We know that 2020 has been a year of unprecedented challenges and changes for everyone. But we are thankful for our families, friends, customers, and our staff to have faced it together. We are looking forward to 2021 and that the year will bring new opportunities for innovation, growth and success, and hopefully it will be a year of recovery in more ways than one.



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



During 2020, COVID-19 deeply impacted consumer behavior world-wide. Before the pandemic, customer expectations were changing, and through digital and technological transformation programs, banks and local businesses were shifting the way they delivered products and services to their audiences. This was not surprising since temporary closings of brick and mortar with many local businesses or their



access restrictions limited the choice of physical channels. As a result, we saw many consumers going online to conduct their banking or using their debit card more often to buy essentials.

For Clinton Savings Bank, doing the right thing is always at the forefront of our business – we know what's important to consumers' purchasing decisions. We actively support our customers and community, all while being transparent in what we do. We have been on the front line, supporting all of our customers throughout the crisis. Whether it

was assisting in the distribution of the government stimulus measures, offering forbearance on loans or donating to local relief efforts, we wanted our community to experience the support from CSB.

Some people may see the crisis as a once in a lifetime phenomenon – others are likely to be more mindful of what lies ahead. As a community bank we will continue to educate consumers and businesses so that they are more prepared, through savings, investments, and products for the future, that promote well-being.

It has never been more important to ensure the right precautions are in place and that communication with our customers is clear and consistent.

# Clinton Financial Services, MHC and Subsidiary\* Consolidated Balance Sheets

December 31, 2020 and 2019 (In Thousands - Audited)

	2020	2019	Variance
ASSETS			
Cash and due from banks	4,893	3,404	1,489
Interest-bearing demand deposits with other banks	49,395	23,992	25,403
Cash and cash equivalents	54,288	27,396	26,892
Interest-bearing time deposits with other banks	100	100	-
Investments in available-for-sale securities (at fair value)	113,527	100,409	13,118
Equity Securities (Fair Value)	7,939	6,501	1,438
Federal Home Loan Bank stock, at cost	2,577	2,901	(324)
Loans, net	423,609	420,015	3,594
Premises and equipment, net	6,524	6,713	(189)
Accrued interest receivable	2,243	1,643	600
Other real estate owned	-	609	(609)
Cash surrender value of life insurance policies	15,890	15,431	459
Deferred tax asset, net	1,604	1,676	(72)
Other assets	1,714	2,842	(1,128)
Total assets	630,015	586,236	43,779

LIABILITIES AND EQUITY			
Deposits:			
Non-interest-bearing	69,112	49,074	20,038
Interest-bearing	438,355	406,430	31,925
Total deposits	507,467	455,504	51,963
Federal Home Loan Bank advances	43,000	53,000	(10,000)
Securities sold under agreements to repurchase	2,003	5,422	(3,419)
Subordinated debt	7,732	7,732	-
Capital lease obligation	415	446	(31)
Other liabilities	5,903	5,048	855
Total liabilities	566,520	527,152	39,368
Equity:			
Retained earnings	62,430	58,796	3,634
Accumulated other comprehensive income	1,065	288	777
Total equity	63,495	59,084	4,411
Total liabilities and equity	630,015	586,236	43,779

\*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, 2020 and 2019 (In Thousands - Audited)

	2020	2019	Variance
INTEREST AND DIVIDEND INCOME			
Interest and fees on loans	19,308	20,199	(891)
Interest on debt securities:			
Taxable	1,796	1,571	225
Tax-exempt	736	903	(167)
Dividends	329	393	(64)
Other interest on short-term investments	92	285	(193)
Total interest and dividend income	22,261	23,351	(1,090)
INTEREST EXPENSE			
Interest on deposits	3,260	4,077	(817)
Interest on Federal Home Loan Bank advances	1,221	1,492	(271)
Interest on subordinated debt	283	416	(133)
Interest on capital lease obligation	30	32	(2)
Total interest expense	4,794	6,017	(1,223)
Net interest and dividend income	17,467	17,334	133
Provision for loan losses	860	50	810
Net interest and dividend income after provision for loan losses	16,607	17,284	(677)
NON-INTEREST INCOME			
Customer service fees	1,093	1,263	(170)
Gain on sales of available-for-sale securities, net	213	40	173
Net gain, marketable equity securities	558	1,074	(516)
Gain on sales of mortgages	753	185	568
Loan servicing fees, net	45	112	(67)
Bank owned life insurance income	459	702	(243)
Other income	416	362	54
Total non-interest income	3,537	3,738	(201)
NON-INTEREST EXPENSE			
Salaries and employee benefits	10,123	9,346	777
Occupancy expense	953	990	(37)
Equipment expense	986	969	17
Data processing expense	827	844	(17)
Professional fees	424	426	(2)
Advertising and marketing	463	523	(60)
FDIC assessment	98	78	20
Other expense	1,933	1,886	(47)
Total non-interest expense	15,807	15,062	651
Income before income tax expense	4,337	5,960	(1,623)
Income Tax Expense	703	1,058	(355)
Net income	3,634	4,902	(1,268)

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## BOARD OF DIRECTORS



**William E. O'Neil, Jr.** <sup>1</sup>  
Chairman of the Board  
Current Term Ends 2021



**Robert M. Farragher** <sup>1</sup>  
Vice Chairman  
of the Board  
Current Term Ends 2023



**Timothy H. Wheeler** <sup>1</sup>  
Clerk of the Corporation  
Current Term Ends 2022



**Robert J. Paulhus, Jr.** <sup>1,5</sup>  
President & CEO  
Current Term Ends 2021



**John F. Hogan** <sup>2,3</sup>  
Current Term Ends 2022



**John F. Kilcoyne** <sup>1,3</sup>  
Current Term Ends 2022



**Barbara E. King** <sup>1,3</sup>  
Current Term Ends 2021



**Maureen K. Quill** <sup>2,3</sup>  
Current Term Ends 2023



**Stanley B. Starr, Jr.** <sup>3,4</sup>  
Current Term Ends 2021



**Christopher J. Williams** <sup>2</sup>  
Current Term Ends 2022



**Charles P. Conroy** <sup>2</sup>  
Current Term Ends 2023

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

**Cary B. Forman**  
SVP/Chief Lending 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

**Debra A. Colonna**  
SVP/Retail Lending Officer

**Bernard P. Gagnon**  
SVP/Commercial Lending Officer

**Daniel J. Kelser**  
SVP/Commercial Lending Officer

**Paula E. Paldino**  
SVP/Compliance & Security Officer

**Lawrence R. Palmer**  
SVP/Information Technology Officer

**Robert G. Rivard**  
SVP/Commercial Lending Officer

**Marina L. Taylor**  
SVP/Commercial Lending Officer

**Pamela J. Cutler**  
VP/Operations Manager

**Kathleen A. Flaherty**  
VP/Compliance & CRA Officer

**Majlinda Haxhijaj**  
VP/Commercial Lending Officer

**Lynne G. McCormack**  
VP/Commercial Portfolio Manager

**Linnea C. Miley**  
VP/Credit Officer

**Lisa A. Poirier**  
VP/Controller

**Andrea C. Santiago**  
VP/Branch Manager, Clinton

**Elisa Cuddy**  
AVP/Mortgage Originator

**Robert P. Fontaine**  
AVP/Senior Mortgage Underwriter

**Geoffrey S. Green**  
AVP/Branch Manager, Berlin

**Michele Hazelhurst**  
AVP/Branch Manager, Boylston

**Jennifer Kelly-Geary**  
AVP/Collections & Loan Servicing  
Manager

**Danielle M. McCarter**  
AVP/Human Resources Manager

**Kristen M. Paige**  
AVP/Compliance Specialist

**John G. Ryan**  
AVP/Mortgage Originator

**Patricia M. Smith**  
AVP/Branch Manager, Bolton

**Gladys Colon-Grampetro**  
Mortgage Underwriter

**Christopher R. Gillin**  
Branch Manager, Sterling

**Samantha L. Ingui**  
Operations Officer

**Jacob S. Lippman**  
Branch Manager, West Boylston

**Kelly J. Manz**  
Consumer Loan Officer

**Jill E. Parcell**  
Project Manager

## 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

**Cary B. Forman**  
SVP/Chief Lending Officer

**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

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Go Beyond Banking™ Go Beyond Banking™ Go B  
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# CORPORATORS

NAME	TERM ENDS	NAME	TERM ENDS
Atty. Albert A. Barbieri*, Jr. ....	2027	Ms. Evelyn M. Dueck .....	2027
Ms. Joanne Bergen .....	2028	Mr. Robert D. Ebstein .....	2023
Mr. Victor S. Bhakta .....	2027	Mr. Robert M. Farragher .....	2023
Dr. Lindsay A. Bruneau, DMD .....	2026	Ms. Kerry A. Flathers .....	2025
Mr. David S. Butler .....	2024	Mr. David I. Frem .....	2021
Ms. Cynthia E. Cannon .....	2025	Ms. Janice L. Fuller .....	2027
Mr. David Chandler, Jr. ....	2030	Ms. Kim M. German .....	2030
Mr. John Chandler .....	2030	Mr. David R. Glispin .....	2030
Mr. John C. Cherubini .....	2023	Ms. Caryn L.Gorczyński .....	2026
Mr. Paul A. Cherubini .....	2028	Mr. Jonathan L. Gulliver .....	2029
Mr. John W. Child, Jr. ....	2028	Mr. Richard R. Hayward, Jr. ....	2022
Mr. Dennis P. Ciccone .....	2029	Dr. Myles F. Heffernan, Jr., DDS .....	2026
Mr. Matthew P. Colangelo .....	2029	Mr. David M. Hinckley .....	2030
Mr. Kenneth A. Cole, Jr. ....	2028	Mr. John F. Hogan .....	2028
Mr. Thomas R. Comeau .....	2022	Mr. Matthew T. Hollister .....	2022
Dr. Charles P. Conroy* .....	2025	Atty. Jane K. Innamorati .....	2025
Mr. Laurence T. Crossman .....	2029	Mr. Barry L. Kallander .....	2030
Ms. Cynthia J. Curley .....	2023	Dr. Theresa E. Kane .....	2021
Ms. Mary T. Dean .....	2026	Mr. John F. Kilcoyne .....	2025
Ms. Kali H. Delorey .....	2024	Ms. Barbara E. King .....	2022
Mr. Dale A. DiMeco .....	2021	Mr. John P. Kittredge, Jr. ....	2025
Ms. Pamela D. Dobeck .....	2029	Mr. Peter F. Kovago .....	2028
Ms. Patricia L. Drinkwater .....	2029	Mr. Mark R. Laverdure .....	2021

NAME	TERM ENDS	NAME	TERM ENDS
Ms. Catherine M. Livingstone .....	2029	Mr. Genaro R. Paen .....	2023
Mr. Carlos Llanso .....	2027	Mr. Robert J. Paulhus, Jr. ....	2030
Mr. Donald A. Lowe .....	2022	Ms. Lynn Philbin .....	2030
Mr. Robert H. MacKay .....	2027	Atty. Stephen J. Philbin .....	2023
Ms. Nicole L. Martin .....	2027	Ms. Catherine M. Phillips .....	2028
Ms. Maegen N. McCaffrey .....	2030	Mr. Paul Q. Polewarczyk .....	2029
Ms. Ellen J. McGovern .....	2026	Ms. Maureen K. Quill .....	2025
Mr. Patrick A. McGrail .....	2026	Mr. Martin D. Reisner .....	2030
Ms. Lucinda J. McLaughlin .....	2029	Mr. Christopher J. Rogers .....	2026
Mr. Brian J. McNally .....	2029	Mr. Raymond J. Salmon, Jr. ....	2028
Mr. Robert J. McNally .....	2026	Atty. Gary P. Sanginario .....	2025
Mr. Anthony R. Melone .....	2021	Dr. William R. Southworth .....	2029
Mr. Steven Mendoza .....	2022	Mr. Stanley B. Starr*, Jr. ....	2030
Mr. David P. Mercurio .....	2026	Ms. Carolyn C. Stimpson .....	2029
Dr. Steven C. Meyer, Ed.D .....	2029	Mr. Kenneth G. Sydow .....	2026
Ms. Linda M. Midura .....	2022	Mr. James A. Tomolo, Jr. ....	2029
Mr. Dennis F. Murphy, III .....	2028	Mr. Richard C. Traina .....	2026
Mr. Jason T. Murray .....	2021	Mr. Giuseppe Villani .....	2029
Ms. Lauren R. Nanof .....	2030	Dr. Richard R. Waller, Jr. ....	2021
Atty. Harold P. Naughton, Jr. ....	2029	Mr. Timothy H. Wheeler .....	2026
Mr. Stephen A. O'Neil .....	2028	Ms. Bobbi-Jo A. Williams .....	2029
Atty. William E. O'Neil, Jr. ....	2028	Mr. Christopher J. Williams .....	2023
Mr. Robert C. Ordnung .....	2028		

\*Retiring Corporator



# Clinton

## Savings Bank

978-365-3700

888-744-4272

[clintonsavings.com](https://clintonsavings.com)



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