

2023 Annual Report

Clinton
Savings Bank



An experience you can bank on.

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

Our Philosophy

We began 2023 with momentum across all of our business lines due to the strength of our staff and by living our mission every day. Sound trust has always been a hallmark of our growth philosophy. We deliver what customers want both in terms of products and the level of service that they expect today, while anticipating where they're headed tomorrow by investing strongly in our team, our strategy and technology to stay a step ahead.

Financially Sound

Our discipline in alignment with the business plan has produced continuous progress with many opportunities still ahead of us. Although we are living through a time of historical challenges, Clinton Savings Bank (CSB), a wholly-owned subsidiary of Wachusett Financial Services and its parent company, Clinton Financial Services, MHC, ended 2023 in a financially strong position. We had net loan growth of \$13.36 million while keeping loan delinquency near record lows. We were both profitable and efficient as we ended the year with total assets of almost \$714 million, while exceeding our net income goal with a net profit of \$2.7 million. As a result of this performance, our balance sheet remains strong, ending the year with a regulatory capital ratio of 11.00% - very well-capitalized as defined by regulators. We will remain grounded in what our customers and communities need and innovate and collaborate to continue with our success.

Personal Service

Today, our lives are busier than ever requiring the human touch of brick and mortar, fast and secure technology options, and products that will help build financial success. That's why in 2023 we expanded our commitment to bring more access to our customers. In March we opened a new, state-of-the-art branch in the town of Shrewsbury, offering a one-day CD special to the residents and surrounding towns that brought in over \$50 million dollars.



We introduced a Select Money Market account offering a higher interest rate to encourage savings which resulted in over \$15 million in deposits. We also offered CD specials throughout the year that added to our deposit growth, ending the year with over \$579 million in total deposits. With easy online loan applications and exceptional customer service we originated over \$41 million in residential loans and over \$17 million in consumer loans.

Creating an Environment for Success

For Clinton Savings to operate in what will be an arduous economic climate in 2024, we look to our staff to help set us apart from our competition. We will continue to assist our employees in maximizing their own personal opportunity to help them to learn and grow professionally, while simultaneously connecting their own passions and purpose with their everyday work. We will continue to recognize staff for their efforts, just as we did in 2023, promoting 15 employees from within.

As we look ahead to 2024, we will also work to ensure that our existing and new technology will help us solve problems — not create new ones. Using technology helps us to make decisions, design and develop products, shape business processes, and most importantly, help our customers financially thrive and build strong relationships. I'm proud to lead an organization that, with the support of our board, corporators and staff, transforms lives by helping people and businesses improve their financial well-being—all achieved through the impact of our everyday business complemented by community giving.



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

Clinton Financial Services, MHC and Subsidiary* Consolidated Balance Sheets

Years Ended December 31, 2023 and 2022 (In Thousands - Audited)

	2023	2022	Variance
ASSETS			
Cash and due from banks	\$ 5,125	\$ 5,339	(214)
Interest-bearing demand deposits with other banks	2,374	4,153	(1,779)
Cash and cash equivalents	7,499	9,492	(1,993)
Interest-bearing time deposits with other banks	100	100	-
Investments in available-for-sale securities (at fair value)	143,572	133,236	10,336
Marketable equity securities, at fair value	6,519	11,287	(4,768)
Federal Home Loan Bank stock, at cost	2,698	2,367	331
Loans, net	511,294	497,939	13,355
Premises and equipment, net	9,806	8,088	1,718
Accrued interest receivable	2,501	2,192	309
Cash surrender value of life insurance policies	20,132	18,547	1,585
Deferred tax asset, net	7,016	7,956	(940)
Other assets	2,849	2,227	622
Total assets	\$ 713,986	\$ 693,431	20,555

LIABILITIES AND EQUITY			
Deposits:			
Noninterest-bearing	\$ 82,269	\$ 86,084	(3,815)
Interest-bearing	496,471	475,081	21,390
Total deposits	578,740	561,165	17,575
Federal Home Loan Bank advances	60,607	63,395	(2,788)
Securities sold under agreements to repurchase	6,240	4,797	1,443
Subordinated debt	7,732	7,732	-
Finance lease obligation	307	345	(38)
Other liabilities	5,003	5,592	(589)
Total liabilities	658,629	643,026	15,603
Equity:			
Retained earnings	73,099	70,400	2,699
Accumulated other comprehensive loss	(17,742)	(19,995)	2,253
Total equity	55,357	50,405	4,952
Total liabilities and equity	\$ 713,986	\$ 693,431	20,555

*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, 2023 and 2022 (In Thousands - Audited)

	2023	2022	Variance
INTEREST AND DIVIDEND INCOME			
Interest and fees on loans	\$ 23,720	\$ 19,191	4,529
Interest on debt securities:			
Taxable	3,868	3,138	730
Tax-exempt	379	382	(3)
Dividends	361	322	39
Other interest on short-term investments	110	84	26
Total interest and dividend income	28,438	23,117	5,321
INTEREST EXPENSE			
Interest on deposits	7,033	1,427	5,606
Interest on Federal Home Loan Bank advances	2,124	839	1,285
Interest on subordinated debt	634	368	266
Interest on finance lease obligation	23	25	(2)
Total interest expense	9,814	2,659	7,155
Net interest and dividend income	18,624	20,458	(1,834)
(Benefit) provision for credit losses	(103)	360	(463)
Net interest and dividend income after provision for credit losses	18,727	20,098	(1,371)
NON-INTEREST INCOME			
Customer service fees	1,167	1,140	27
Net gain (loss), marketable equity securities	277	(1,287)	1,564
(Loss) gain on sales of mortgages, net	(24)	1	(25)
Loan servicing fees, net	109	99	10
Bank owned life insurance income	515	496	19
Other income	347	339	8
Total non-interest income	2,391	788	1,603
NON-INTEREST EXPENSE			
Salaries and employee benefits	11,368	10,423	945
Occupancy expense	1,161	994	167
Equipment expense	1,250	1,053	197
Data processing expense	666	771	(105)
Professional fees	460	379	81
Advertising and marketing	614	571	43
FDIC assessment	323	175	148
Other expense	2,112	2,183	(71)
Total non-interest expense	17,954	16,549	1,405
Income before income tax expense	3,164	4,337	(1,173)
Income Tax Expense	432	889	(457)
Net income	\$ 2,732	\$ 3,448	(716)

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Board of Directors



William E. O'Neil, Jr.¹
Chairman of the Board
Current Term Ends 2024



Robert M. Farragher¹
Vice Chairman of the Board
Current Term Ends 2026



Barbara E. King^{1,3}
Clerk of the Corporation
Current Term Ends 2024



Robert J. Paulhus, Jr.^{1,5}
President & CEO
Current Term Ends 2024



Cindy J. Curley⁴
Current Terms Ends 2026



Jonathan L. Gulliver^{2,3}
Current Terms Ends 2026



Myles F. Heffernan, Jr.²
Current Terms Ends 2025



John F. Hogan^{2,3}
Current Term Ends 2025



John F. Kilcoyne^{1,3}
Current Term Ends 2025



John P. Kittredge, Jr.^{2,4}
Current Term Ends 2024



Maureen K. Quill^{2,3}
Current Term Ends 2026



Christopher J. Williams¹
Current Term Ends 2025

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

Robert M. Farragher
Vice Chairman of the Board

Barbara E. King
Clerk of the Corporation

Robert J. Paulhus, Jr.
President & CEO

A. David Darvish
Treasurer

Clinton Savings Bank Officers

Robert J. Paulhus, Jr.
President & CEO

Leonard T. Anctil*
SVP/ Senior Commercial Lending Officer

A. David Darvish
SVP/Chief Financial Officer/Treasurer

Mary T. Dean
SVP/ Chief Information Officer/Operations

Ellen J. McGovern
SVP/Chief Marketing Officer

Linda M. Midura
SVP/Director of Human Resources

John T. Peculis
SVP/Chief Lending Officer

Andrea C. Santiago
SVP/Branch Administration

Debra A. Colonna
SVP/Retail Lending Officer

Paula E. Paldino
SVP/Compliance & Security Officer

Robert G. Rivard
SVP/Senior Commercial Lending Officer

Cesar A. Casillas
VP/Commercial Portfolio Manager

Kathleen A. Flaherty
VP/Compliance & CRA Officer

Julia I. Gomez
VP/Branch Manager, Clinton

Majlinda Haxhiaj
VP/Commercial Relationship Manager

Kathleen L. Kennedy
VP/Branch Manager/Business Development Officer

Danielle M. McCarter
VP/Human Resources Manager

Lynne G. McCormack
VP/Commercial Portfolio Manager

Linnea C. Miley
VP/Credit Manager

Kenneth E. Ouellette
VP/Information Technology Officer

Kristen M. Paige
VP/Compliance Specialist

Lisa A. Poirier
VP/Controller

William M. Spencer
VP/Commercial Relationship Manager

Jamie L. Cortes
AVP/Market Research Analyst

Elisa A. Cuddy
AVP/Mortgage Originator

Robert P. Fontaine
AVP/Senior Mortgage Underwriter

Geoffrey S. Green
AVP/Branch Manager, Berlin

Corinne A. Hansen
AVP/Branch Manager, Sterling

Michele A. Hazelhurst
AVP/Branch Manager, Boylston

Jennifer J. Kelly-Geary
AVP/Collections & Loan Servicing Manager

Kelly J. Manz
AVP/Consumer Loan Supervisor

Debra A. Reilly
AVP/Branch Manager, West Boylston

John G. Ryan
AVP/Mortgage Originator

Joao C. Alves
Systems Officer

Gladys Colon-Grampetro
Mortgage Underwriter

Christopher R. Gillin
Branch Manager, Bolton

John Hewitt
Cash Management Officer

Michelle L. Lacoboni
Administrative Officer

Samantha L. Ingui
Operations Officer

Jill E. Parcell
Project Manager

Belinda L. Pero
Collections Officer

Clinton Savings Bank Senior Management Team

Robert J. Paulhus, Jr.
President & CEO

Leonard T. Anctil*
SVP/Senior Commercial Lending Officer

A. David Darvish
SVP/Chief Financial Officer/Treasurer

Mary T. Dean
SVP/Chief Information Officer/Operations

Ellen J. McGovern
SVP/Chief Marketing Officer

Linda M. Midura
SVP/Director of Human Resources

John T. Peculis
SVP/Chief Lending Officer

Andrea C. Santiago
SVP/Branch Administration

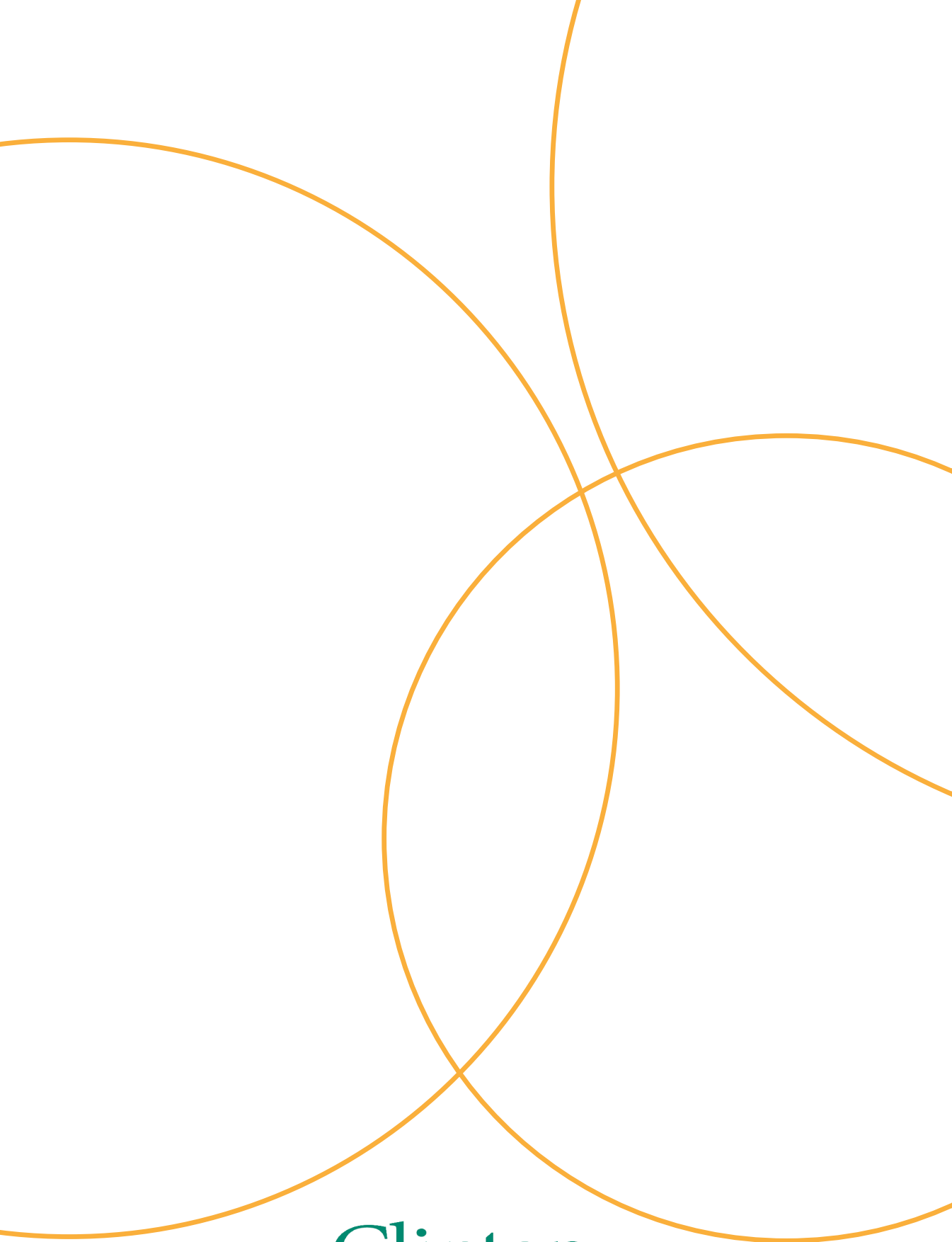
*Retired 1/5/24

Corporators

NAME	TERM ENDS	NAME	TERM ENDS
Ms. Robyn E. Arcand	2032	Mr. Richard J. Haufe	2033
Ms. Joanne Bergen	2028	Dr. Myles F. Heffernan, Jr., DDS	2026
Mr. Roshan V. Bhakta	2032	Mr. David M. Hinckley	2030
Dr. Lindsay A. Bruneau, DMD	2026	Mr. John F. Hogan	2028
Mr. David S. Butler	2024	Atty. Jane K. Innamorati	2025
Mr. John Chandler	2030	Mr. Barry L. Kallander	2030
Mr. David Chandler, Jr.	2030	Dr. Theresa E. Kane	2031
Mr. John C. Cherubini	2033	Mr. John F. Kilcoyne*	2025
Mr. Paul A. Cherubini	2028	Ms. Meghan K. Kilcoyne	2032
Mr. John W. Child, Jr.	2028	Ms. Barbara E. King	2032
Mr. Dennis P. Ciccone	2029	Mr. John P. Kittredge, Jr.	2025
Mr. Matthew P. Colangelo	2029	Mr. Charles LaBove	2033
Mr. Kenneth A. Cole, Jr.	2028	Mr. Philip R. Latini	2031
Mr. Thomas R. Comeau	2032	Mr. Mark R. Laverdure	2031
Mr. Brian W. Coyne	2032	Ms. Catherine M. Livingstone	2029
Mr. Laurence T. Crossman	2029	Mr. Donald A. Lowe	2032
Ms. Cindy J. Curley	2033	Mr. Robert H. MacKay	2027
Ms. Mary T. Dean	2026	Ms. Maegen N. McCaffrey	2030
Ms. Kali H. Delorey	2024	Ms. Ellen J. McGovern	2026
Mr. Dale A. DiMeco	2031	Mr. Patrick A. McGrail	2026
Ms. Pamela D. Dobeck	2029	Ms. Lucinda J. McLaughlin	2029
Mr. Thomas M. Doerr	2032	Mr. Brian J. McNally	2029
Ms. Patricia L. Drinkwater	2029	Mr. Anthony R. Melone	2031
Mr. Robert M. Farragher*	2033	Mr. Steven Mendoza	2032
Mr. David I. Frem	2031	Mr. Daniel P. Mercurio	2031
Ms. Kim M. German	2030	Dr. Steven C. Meyer, Ed.D	2029
Ms. Caryn L. Gorzynski	2026	Ms. Linda M. Midura	2032
Mr. Jonathan L. Gulliver	2029		

NAME	TERM ENDS	NAME	TERM ENDS
Mr. Dennis F. Murphy, III	2028	Mr. Alan S. Roseberry	2032
Ms. Lauren R. Nanof	2030	Mr. Raymond J. Salmon, Jr.	2028
Atty. Stephen A. O'Neil	2028	Atty. Gary P. Sanginario	2025
Atty. William E. O'Neil, Jr.	2028	Mr. Todd S. Solar	2031
Mr. Robert C. Ordnung	2028	Dr. William R. Southworth	2029
Mr. Genaro R. Paen	2033	Ms. Carolyn C. Stimpson	2029
Mr. Robert J. Paulhus, Jr.	2030	Mr. Kenneth G. Sydow*	2026
Ms. Lynn Philbin	2030	Ms. Susan C. Templeton	2032
Atty. Stephen J. Philbin	2033	Mr. James A. Tomolo, Jr.	2029
Ms. Catherine M. Phillips	2028	Mr. Giuseppe Villani	2029
Mr. Paul Q. Polewarczyk*	2029	Dr. Richard R. Waller, Jr.	2031
Ms. Maureen K. Quill	2025	Mr. James H. Wheeler	2032
Mr. Martin D. Reisner	2030	Ms. Bobbi-Jo A. Williams	2029
Mr. Christopher J. Rogers	2026	Mr. Christopher J. Williams	2033

*Retiring Corporator



Clinton Savings Bank

An experience you can bank on.

888-744-4272
clintonsavings.com



Member FDIC
EQUAL HOUSING Member DIF
LENDER NMLS#422081

