

INTEGRITY
SERVICE
TEAMWORK
EXCELLENCE
PROSPERITY



 **countrybank**

For Business. For Living. For You.

MISSION STATEMENT

Our mission is to grow mutually beneficial relationships with our customers, community and staff.



RELATIONSHIPS MATTER:

We believe that relationships are life's most valuable investments. It's been our philosophy for one hundred and sixty-eight years and counting, and it's why we're still going strong. It means we always go above and beyond for our customers and the communities we serve; and we always go the extra mile to make things right, even when things don't always go smoothly. It also means we never, ever, skimp on manners, even when life is moving a million miles an hour.

A LETTER FROM OUR PRESIDENT iSTEP – GUIDING COUNTRY BANK SINCE 1850



When the founding fathers of Country Bank formed the Bank in 1850, they envisioned that the role of the local community bank is to assist hard-working residents in providing for their families, growing their businesses, achieving their financial dreams and enriching the local community.

Although more than one hundred and sixty-eight years have passed since 1850, Country Bank's founding principles and core values continue to guide its success. Today, we refer to them as *iSTEP*: integrity; Service;

Teamwork; Excellence; and Prosperity. *iSTEP* provides the guiding light for the Bank's business decisions, internal and external customer interactions, community support and its financial foundation. It's the contemporary version of traditional values – values that are so ingrained in the Country Bank way of life that the five conference rooms at the Bank's corporate office each reflect the name of a core value including a definition, chosen by the staff, etched on the wall.

- INTEGRITY:** wisdom is knowing the right path to take, integrity is taking it.
- SERVICE:** customers may forget what you said, but they'll never forget how you made them feel.
- TEAMWORK:** simply stated, it's less me and more we.
- EXCELLENCE:** the gradual result of always striving to do better.
- PROSPERITY:** positive thinking and positive attitudes attract prosperity, peace and happiness.

In 2018, applying the principles of *iSTEP* resulted in a highly successful year with record-breaking earnings! Net income increased more than \$2,000,000 from the preceding year to \$12,852,800 due to increased loan balances, enhanced operating efficiencies and the Tax Reform Act of 2018. Total assets increased to \$1,624,435,200 from \$1,586,090,200 at the end of 2017, while total loans increased to \$1,240,420,800, representing 76% of total assets. Deposit balances increased to \$1,083,181,700; a \$58,317,200 increase from the preceding year. Capital, the bellwether of a Bank's financial strength and its benchmark for future growth, increased to 14.06% of total assets, maintaining Country Bank's esteemed position as one of the higher capitalized banks in the Commonwealth.

Loan growth during the year was fueled by new loan originations of \$298,000,000 comprised of \$128,824,000 of residential mortgages and \$169,218,000 of commercial loans, including the financing of several notable projects in the transforming market of downtown Worcester. These highly visible projects included: the recapitalization of 100 Front Street/Mercantile Center; construction financing of

Harding Green in Kelley Square, containing forty-eight market rate apartments along with a public food market for local vendors; and the development of first class office space with underground parking at 288 Grove Street. As part of its ongoing Worcester expansion, driven in part by its Business Development Office at 315 Main Street, the Bank partnered with the Worcester Red Sox as a Founding Partner as the team prepares for its move to Worcester in 2021. The Bank's partnership complements its 2017 partnering with the Worcester Railers Hockey Team as a Founding Sponsor.

Throughout 2018, *iSTEP* continued to serve as the compass for Country Bank's community outreach and support. During the year, the Bank donated over \$1,000,000 to more than four hundred and fifty local organizations. Some of the recipient organizations included: the Special Olympics, Hearts for Heat, the Salvation Army, the YMCA of Greater Springfield, the Friends of the Homeless, Provision Ministry, Christina's House, the Mustard Seed, and St. John's Food Program for the Poor, along with numerous others. The extent of the Bank's philanthropy and community involvement is so much more than financial. On the National Day of Giving, members of the Bank's business community joined the staff and Board as they teamed with the Coalition for the Homeless and built fifty beds for the nonprofit organization A Bed for Every Child. Suffice it to say, there's truly nothing more rewarding or heartwarming than knowing that a few hours of teamwork will impact the life of a helpless, loving child. The staff-driven Country Bank Employee Charitable Giving Program raised more than \$30,000 through jean days, bake sales and raffles and volunteered over 1,100 hours of personal time in support of community organizations. They helped pack backpacks with life's basic necessities for the homeless, served meals to children at the Boys and Girls Club and the Ronald McDonald House, helped build a house for Habitat for Humanity and biked 106 miles from Springfield to Boston in honor of fallen police, firefighters and first responders in the Ride to Remember. At Country Bank, we do more than talk the talk; we walk the walk, as evidenced by our slogan, "we think giving back is the most cutting edge thing a bank will ever do!"

Guided by *iSTEP*, 2018 was a rewarding year for Country Bank, its customers, community and staff, and we look forward to an equally rewarding year in 2019!

VERY TRULY YOURS,

PAUL F. SCULLY
PRESIDENT & CEO

Consolidated Statement of Condition (in thousands)

December 31, 2018*

ASSETS:

Cash and due from banks	\$12,537
Short-term investments	\$0
Investment securities	\$324,797
Loans, net of allowance	\$1,240,421
Premises and equipment	\$14,861
Other assets	\$31,819
Total Assets	\$1,624,435

LIABILITIES & SURPLUS

Transaction accounts	\$229,149
Savings and IRA accounts	\$231,074
Money market accounts	\$265,390
Certificate of deposits	\$357,569
Total Deposits	\$1,083,182

Short-term borrowings	\$22,577
Long-term borrowings	\$274,339
Other liabilities	\$15,896
Total Liabilities	\$1,395,994

Surplus	\$228,441
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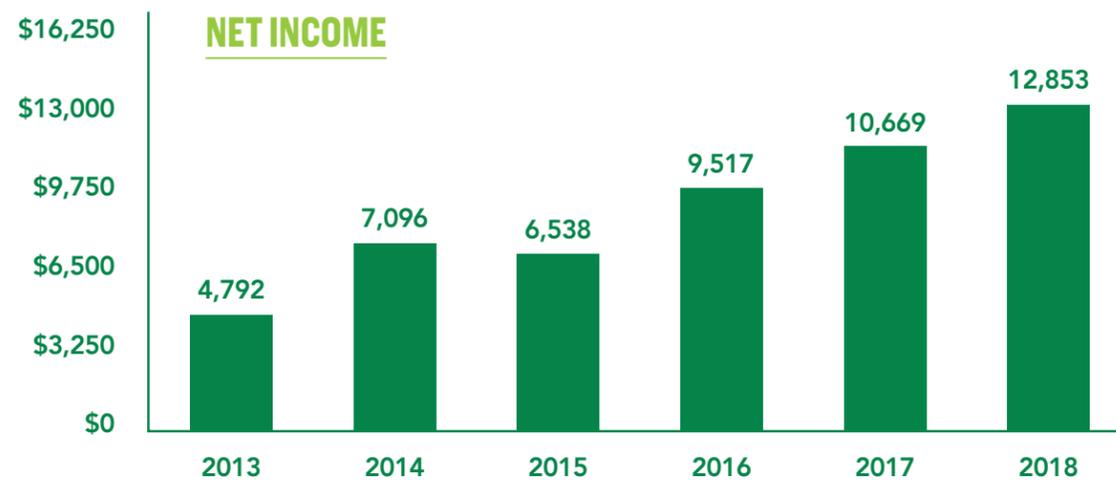
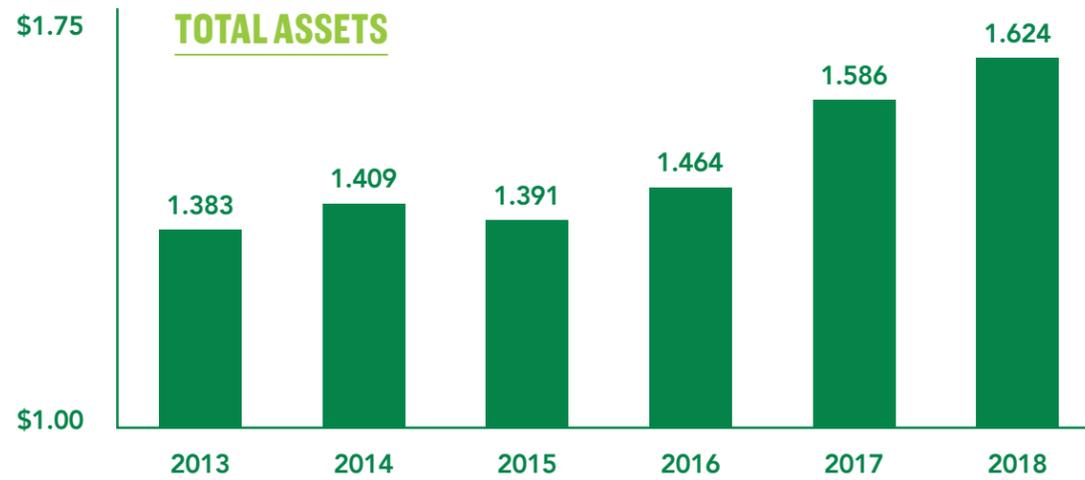
Total Liabilities and Surplus	\$1,624,435
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*Unaudited

Comparative Consolidated Condensed (in thousands)

Analysis of Net Income*

	12/31/2018	12/31/2017
Interest income	\$63,957	\$58,527
Interest expense	\$13,549	\$11,300
Net interest income	\$50,408	\$47,227
Provision for loan losses	\$800	\$960
Net interest income after provision for loan losses	\$49,608	\$46,267
Non-interest income	\$5,737	\$8,836
Non-interest expense	\$38,071	\$36,069
Income before taxes	\$17,274	\$19,034
Income tax expense	\$4,421	\$8,365
Net Income	\$12,853	\$10,669



LEADERSHIP

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President and CEO

Mary McGovern
Executive Vice President and CFO

Senior Vice Presidents

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Shelley M. Regin

Miriam J. Siegel

Denise D. Walker

First Vice Presidents

Brady Chianciola
Eric R. Devine

Russell D. Fontaine
Bernard P. Gagnon, Jr.

Douglas M. Gilbert
Jack Mello

Mark A. Phillips
Julie M. Yi

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Bernard Gagnon
Bryan Moore

Ryan Nauman
Jessica McGarry
Carla Alves

Angela Barahona
Yvonne Santos

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Partner, Stolberg, Ebbeling & Blanchette, LLP

**WE MAKE IT OUR BUSINESS
TO HELP
YOURS THRIVE.**



MERCANTILE CENTER
\$59.5 million in financing

Country Bank was the lead lender on the recapitalization and debt refinance of the Mercantile Center in downtown Worcester.

44 This was our first deal with Country Bank and we had many other banking/financial institutions that wanted to work with us because this was a very large transaction, close to \$60 million, and very high profile, one of the largest mixed-use projects, in downtown Worcester. We chose Country Bank because they were attentive, honest, straightforward and aggressive. We were under a very tight timeline with a lot of pressure, and Country Bank did everything they said they would, and more, with absolute transparency, meeting all timelines and milestones as asked. The close on the deal was consistent with the initial quote, which is not always the case. We couldn't be happier with the final outcome of our transaction and we will certainly be doing more work with them in the future."

—Chip Norton, President, Franklin Realty Advisors, LLC.



KELLEY SQUARE APARTMENTS
\$16 million in financing

Investing in our community has always been important to us, and being a part of the Kelley Square revitalization is no exception.

"Country Bank is more than just a lender, it is a partner who has been there with us every step of the way throughout the construction of the Harding Green property."

—Raymond Quinlan



TREE HOUSE BREWING COMPANY
\$7.7 million in financing

Favored by much of New England, Tree House Brewing Company has been a long-time (and much enjoyed) partner of Country Bank.

"We continue to be humbled by our financial institution that stood by us from day one."

—Damien Goudreau
Tree House Brewing Company

PROUD *TO* BE ON THE KELLEY SQUARE HOME TEAM LINEUP.



We're excited to announce that Country Bank is a founding sponsor of the Worcester Red Sox. With their new home in the blossoming heart of town, we couldn't pass up the opportunity to partner with a family-friendly ballpark and team. It's just one piece of our continued community-based support and we look forward to growing with the team's local fan base.

Stop by and say hi next time you're in town!

~ SOME FOLKS SAY ~
FRIENDS & MONEY DON'T MIX.
WE BEG TO DIFFER.

Together, we've built our community on a firm belief that banking isn't about money, it's about relationships. Calling this our home isn't just a bond we share with our customers — it's what makes them our true neighbors.

countrybank
For Business. For Living. For You.

MEMBER FDIC countrybank.com MEMBER DIF

BUILDING A STRONGER COMMUNITY TOGETHER

As a mutual savings bank, we believe in the importance of strengthening our community. And this year, we're proud to say loan originations reached \$298,000,000, with \$128,824,000 of residential mortgages and \$169,218,000 of commercial loans. With these exciting new projects, including several in transforming downtown Worcester, we're continuing to build stronger relationships than ever.

\$2.68MM

Commercial Real Estate Mortgage (CREM) – Apartment Complex

\$15.6MM

Construction to Permanent Loan – Mixed-use building

\$59.5MM

Commercial Real Estate Mortgage (CREM) – Commercial Office Building

\$11.2M

Commercial Real Estate Construction to Permanent Loan – Educational Facility

\$12.4M

Commercial Real Estate Construction to Permanent Loan – Hotel Complex

\$3.32M

Commercial Real Estate – Apartment Complex

WE MAKE IT **OUR** BUSINESS TO HELP YOURS THRIVE.

At Country Bank, we approach our work with pride, so that you can too. With years of experience under our belts, we're always willing to lend a hand when it comes to helping local businesses. Our partnerships thrive off of robust product offerings, experienced lenders, and a localized market strategy to make sure your business is equipped with everything it needs to succeed.



SOMETHING **FOR** EVERYONE.

We'll guide your business from day one, this is just the start.

COMMERCIAL REAL ESTATE MORTGAGES

New construction, expansion, or refinancing? Let us find you the right loan for acquiring, developing, or refinancing an investment, commercial, or industrial property.

COMMERCIAL LINES OF CREDIT

Finance inventory, offset seasonal differences in cash flow or for any other immediate needs that your business may have.

TERM LOANS

Finance new or used machinery, equipment, leasehold improvements, or update technology and more.

SBA GUARANTEED LOANS

Our lending team is experienced in making and disbursing government guaranteed loans for:

- New Business Acquisition
- Lines of Credit
- Machinery and Equipment Financing
- Business Expansion

We offer competitive rates based on the local market conditions, term of loan, and type of asset purchased.

FULL SUITE OF PRODUCTS TO MEET ALL NEEDS

Learn more at countrybank.com/resources/business-resources.



**BUSINESS BANKING
NEEDS?
WE'D BE DELIGHTED
TO ASSIST YOU.**

EARNINGS ANALYSIS CHECKING

Our earnings analysis account is ideal for businesses with high-volume account activity, and who carry higher balances and utilize cash management solutions.

- Competitive Earnings Credit
- Cash Management Solutions
- Fraud Protection Services

GROWTH BUSINESS CHECKING

Our growth checking account is ideal for businesses with lower transaction volumes.

EARN UP MONEY MARKET

Our Business Earn Up Money Market offers a highly competitive tiered rate. This account allows you to earn more on your savings while taking full advantage of your cash flow.

CASH MANAGEMENT SERVICES

We would be honored to help your business with a complete range of online tools to maintain better control over your cash flow and help streamline your day-to-day cash management needs.

- Deposit Solutions
- Payment Solutions
- Account Management Solutions

It would be our pleasure to evaluate your banking needs to ensure you receive the business accounts and services that are right for you and for your business.

Nothing makes us prouder than helping our local businesses thrive.

BRANCH & ATM LOCATIONS

Belchertown Office†
21 North Main Street
Belchertown, MA 01007

Brimfield Office
9 Main Street
Brimfield, MA 01010

Business Center
315 Main Street
Worcester, MA 01608

Charlton Office
37 Worcester Road
Charlton, MA 01507

Four Corners Office†
191 Sykes Street
Palmer, MA 01069

Leicester Office†
1084 Main Street
Leicester, MA 01524

Ludlow Big Y Office*
425 Center Street
Ludlow, MA 01056

Palmer Office
1485 North Main Street
Palmer, MA 01069

Paxton Office†
687 Pleasant Street
Paxton, MA 01612

Ware Main Office†
75 Main Street
Ware, MA 01082

Ware Walmart Office*†
352 Palmer Road
Ware, MA 01082
*(This ATM is available from
6 a.m. – midnight.)*

Ware West Street Office†
155 West Street
Ware, MA 01082

West Brookfield Office†
8 West Main Street
West Brookfield, MA 01585

Wilbraham Office
2379 Boston Road
Wilbraham, MA 01095

Worcester Office
278 Park Avenue
Worcester, MA 01609

**In-store branch*

ATM-ONLY LOCATIONS

3 Post Road
Brookfield, MA 01506

147 Main Street
Cherry Valley, MA 01524

1839 Lower Road†
Hardwick, MA 01037

Baystate Wing Hospital†
40 Wright Street
Palmer, MA 01069
CASH ONLY

1030 Stafford Street
Rochdale, MA 01542

Baystate Mary Lane Hospital†
85 South Street
Ware, MA 01082
CASH ONLY

*† This ATM location
is part of SUM*

CORPORATE OFFICE
15 South Street
Ware, MA



**WORCESTER COMMUNITY
BUSINESS OFFICE**
315 Main Street
Worcester, MA



 **countrybank**

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