



Made to make a difference.

2022 ANNUAL REPORT



ABOUT **COUNTRY BANK**

Since 1850, Country Bank's mission has been to build mutually beneficial relationships with its customers, communities, and team members.

Over the years, supporting and enriching our communities has remained consistent and undaunted by changing economic cycles. As one of the Commonwealth's most highly capitalized financial institutions, one with the expertise and lending power of a \$1.66 billion mutual savings bank, Country Bank has supported businesses throughout its 173 years.

Country Bank serves Central and Western Massachusetts with 14 locations spanning Springfield to Worcester with the products and services to meet the needs of consumer and business customers, wherever they may be in their financial journey.





A LETTER FROM OUR PRESIDENT

Greetings!

We appreciate your interest in Country Bank! Since 1850, the Bank has consistently sought to make a difference by offering full-service business and consumer financial services through multiple delivery channels while continuing its philanthropic focus of community support. Although every year brings new opportunities and challenges, we're pleased to report that net earnings in 2022 once again exceeded \$15 million. Earnings were fueled primarily by a record volume of loan originations that totaled over \$400 million, resulting in portfolio growth in excess of \$165 million. On the commercial lending front, the Bank broadened its decades-long focus on commercial real estate lending to incorporate an enhanced emphasis on C&I lending. Buoyed by a seasoned team of lending and credit professionals and having one of the highest levels of capitalization in the Commonwealth, the Bank reported considerable growth along with portfolio and market diversification within this sector. In addition, understanding that smaller businesses are the lifeblood of Main Street, the Bank expanded its Business Lending focus by launching an online application portal to provide the convenience of applying for a business loan 24/7.

Similar to the increased volume of commercial lending during the year, residential real estate activity remained strong as the quest for homeownership continued to outpace the volume of available inventory, despite the escalation of interest rates. In the second half of the year, the Bank introduced an industry-unique No Down Payment First Time Homebuyer Loan Program to expand the reach of homeownership within targeted market areas - the response, while at times hampered by inventory constraints, has been quite favorable.

From a financial perspective, the Bank ended 2022 with Total Assets of \$1.660 billion, comprised of \$1.266 billion in loans and funded by deposit balances totaling \$1.340 billion. Net income for the year was slightly more than \$15.0 million and remained in line with the preceding year resulting in a year-end capital ratio of 17.1%. This is more than double the regulatory minimum, which affords lending capacity of close to \$50.0 million per relationship. The Bank's geographic footprint, supported by its best-in-class electronic banking products and services, is anchored by two Business Banking Offices in Worcester and Springfield and twelve banking centers, including the recently opened location in Tatnuck Square, Worcester.

As a mutual savings bank, it's been Country Bank's longstanding belief that healthy communities thrive and has thus remained steadfast in its unparalleled level of financial support to its communities and generous volunteer efforts of its team members. In 2022, the Bank again provided philanthropic support of over \$1.1 million to 346 organizations throughout Hampden, Hampshire, and Worcester counties. In addition, its team members (aka Difference Makers) volunteered more than 1,100 hours to support its communities.

It has been the Bank's longstanding quest to be the Bank and Employer of Choice serving greater Central and Western Massachusetts; a desire that is only attainable thanks to its tremendously talented, dedicated and diversified team. Their unwavering commitment to our customers, communities and each other exemplifies Country Bank's Corporate Values of Integrity, Service, Teamwork, Excellence and Prosperity (iSTEP) is second to none! They make a difference each and every day and are the true Difference Makers!

**Best wishes for health, happiness,
and prosperity in 2023!**

Paul F. Scully
President & CEO

For more information, visit [LendingAmerica.org](https://www.LendingAmerica.org)

LEADERSHIP

BOARD OF TRUSTEES

JAMES R. PHANEUF
Chair of the Board

KEITH E. BLANCHETTE

KATHRYN M. CROCKETT

ROBERT K. DIK

TERESA GROVE

ROBERT S. HAVELES

STACEY LUSTER

RICHARD H. MAYNARD

PETER J. MCDONALD

EDWARD J. NOONAN, II

ELIZABETH C. RAPPAPORT

KENNETH J. RILEY, JR.

PAUL F. SCULLY



SENIOR MANAGEMENT

PAUL F. SCULLY
President and CEO

MARY C. MCGOVERN
Executive Vice President

DAWN M. FLEURY
First Senior Vice President

G. THOMAS WOLCOTT
First Senior Vice President

MIRIAM J. SIEGEL
First Senior Vice President

RUSSELL D. FONTAINE
Senior Vice President

SHELLEY M. REGIN
Senior Vice President

DENISE D. WALKER
Senior Vice President

DR. PETER J. MORALES
Senior Vice President

JULIE M. YI
Senior Vice President



CONSOLIDATED STATEMENT OF CONDITION

(in thousands)

December 31, 2022*

	12/31/22	12/31/21
ASSETS:		
Cash and due from banks	\$ 24,536	\$ 257,455
Short-term investments	\$ 0	\$ 0
Investment securities	\$ 322,051	\$ 311,332
Loans, net of allowance	\$ 1,266,881	\$ 1,099,005
Premises and equipment	\$ 13,216	\$ 13,868
Other assets	\$ 32,247	\$ 20,556
Total Assets	\$1,658,931	\$1,702,216
LIABILITIES & SURPLUS		
Transaction accounts	\$ 436,489	\$ 385,910
Savings and IRA accounts	\$ 410,710	\$ 380,920
Money market accounts	\$ 291,465	\$ 336,292
Certificate of deposits	\$ 201,929	\$ 259,801
Total Deposits	\$ 1,340,593	\$ 1,362,923
Short-term borrowings	\$ 45,850	\$ 0
Long-term borrowings	\$ 0	\$ 50,000
Other liabilities	\$ 16,212	\$ 13,612
Total Liabilities	\$ 1,402,655	\$ 1,426,535
Surplus	\$ 256,276	\$ 275,681
Total Liabilities and Surplus	\$ 1,658,931	\$ 1,702,216

*Unaudited

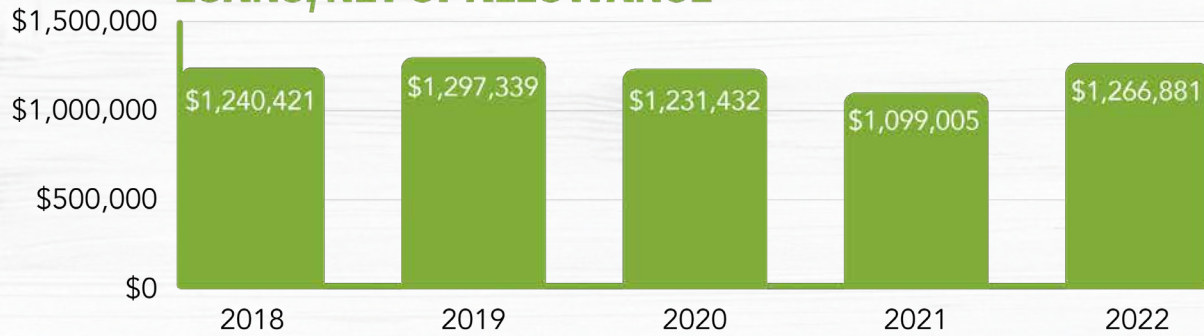
CONSOLIDATED STATEMENT OF NET INCOME

(in thousands)

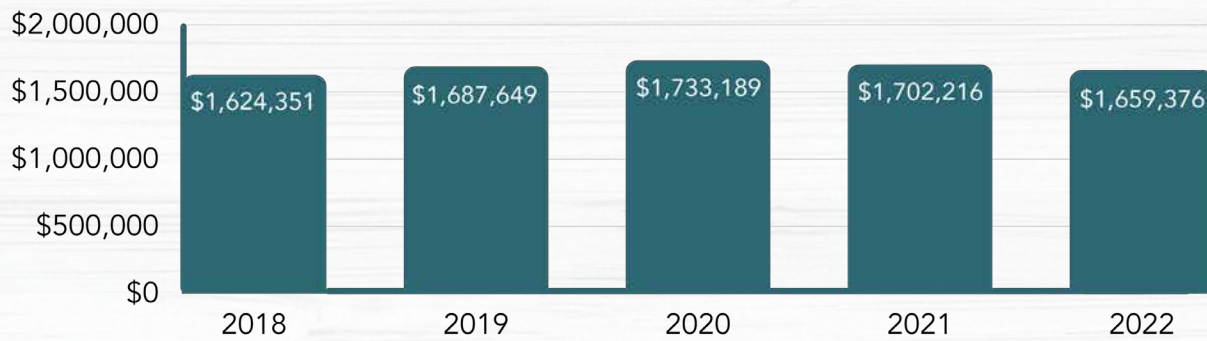
Analysis of Net Income

	12/31/22	12/31/21
Interest income	\$ 60,824	\$ 56,317
Interest expense	\$ 2,954	\$ 5,001
Net Interest Income	\$ 57,870	\$ 51,316
Provision for loan losses	\$ 0	\$ 500
Net interest income after provision for loan losses	\$ 57,870	\$ 50,816
Non-interest income	\$ 7,393	\$ 11,462
Non-interest expense	\$ 44,820	\$ 41,034
Income before taxes	\$ 20,443	\$ 21,244
Income tax expense	\$ 5,420	\$ 5,523
Net Income	\$ 15,023	\$ 15,721

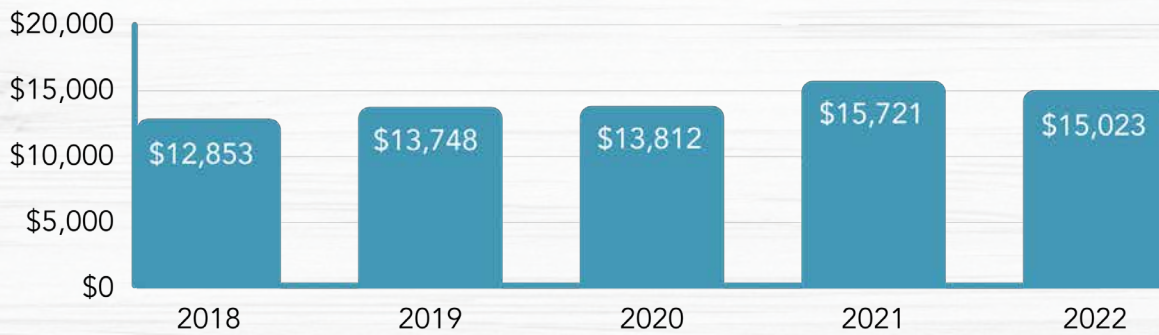
LOANS, NET OF ALLOWANCE*



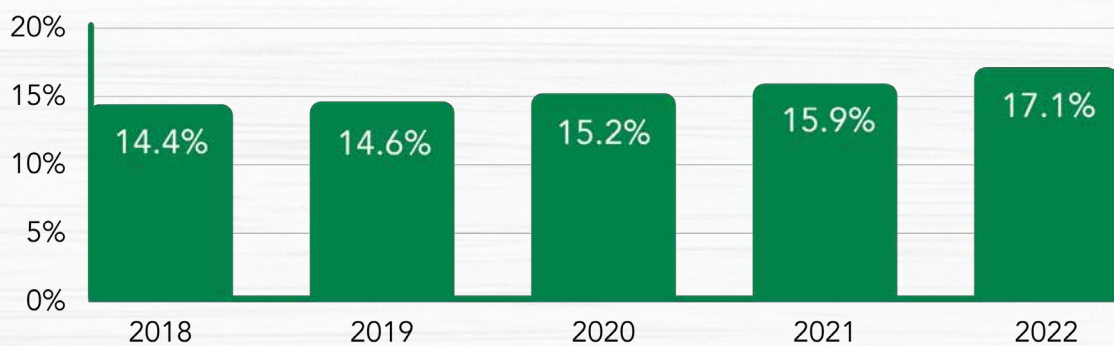
TOTAL ASSETS*



NET INCOME*



CAPITAL RATIO



*in thousands

MADE TO MAKE A DIFFERENCE.

Since
1850



Tom Wolcott
First Senior Vice President
Commercial Banking

In 2022 the Country Bank Team “made a significant difference” in the markets we serve.

Commercial Loan balances grew by 20% or \$ 127.0 million. Commercial Real Estate represented the majority of our growth, with significant traction in building Commercial & Industrial (C&I) and Business Banking (BB) relationships. Today businesses require flexible loan structures, efficient cash management products, experienced partners, and a bank with the financial capacity to support their growth. Competitive forces remain strong, but what sets Country Bank apart from the competition are our competitive terms, certainty of execution, nimble decisions, and the industry leading expertise and commitment of our Credit, Operations, Retail, and Marketing internal partners.

We introduced a secure, online commercial loan application to improve the customer experience allowing business owners to apply for a loan any time of the day or night on their own device. After months of testing and refinement with countless hours of support from our business partners, this was officially launched in December 2022. Early indications are strong, and we will continue to adapt and adjust the application based on user feedback, with subsequent enhancements focused on making the commercial application process fully automated from application to loan closing. We understand business owners are busy and being able to apply online for a business loan makes a real difference in supporting their needs.

As we look to 2023, we are focused on building relationships in the markets we serve, in Central and Western Massachusetts. For existing clients, the focus is to deepen our relationship by leveraging our strong cash management, retail, and commercial product offerings. In addition, we are actively partnering with our Banking Center and Retail team members to drive loan and deposit growth and leveraging the “word of mouth” marketing from the growing list of clients who truly value the Country Bank experience.

Our team is Made to Make a Difference, and we would welcome the opportunity to learn more about your business and how we can best support your growth.

THE RIGHT TEAM MAKES A DIFFERENCE



At Country Bank, we are made a little different. We have the expertise, resources and tools to turn opportunities into growth. It's not just banking to us. We're here to make a real difference for your business. And it starts with a relationship.

When you arrive at a certain size, your banking needs change. You need a banking relationship that can keep up. That's where Country Bank comes into play. Our commercial banking services are made for this. We offer a financial

partnership with the capacity to support your growth, as well as help you anticipate and manage the challenges and opportunities ahead.

We bring to the table sophisticated capabilities, customized problem-solving, higher lending limits, industry leading expertise, and highly responsive service. Since the needs of your business can change quickly, we're agile and flexible within a very wide range. We know what's at stake here. We know who we serve. And you can trust we'll get it done.

COMMERCIAL LENDING & BUSINESS BANKING

TOM WOLCOTT

First Senior Vice President
Commercial Banking

BEN LEONARD

Senior Vice President
Team Lead West Region

JESSICA MCGARRY

First Vice President
Team Lead East Region

CARLA ALVES

Vice President

SETH ARVANITES

Vice President

ANGELA BARAHONA

Vice President

SHANE ELDER

Vice President

RYAN NAUMAN

Vice President

JOLENE MASTALERZ

Vice President

BRYAN MOORE

Vice President

PATRICK O'HARA

Vice President

SAM PURSEY

Commercial Loan
Relationship Officer

SARAH YURKUNAS

Commercial Loan
Relationship Officer

Fast 50 Commercial Loan Growth - Recognized by Banker and Tradesman 2022

COMMERCIAL BANKING



At Country Bank, we have what it takes to serve businesses of all sizes through our business and commercial banking services. Whether you're in the start-up stage or a large, seasoned commercial enterprise, we have what you need. From flexibility and customization to an exceptionally high lending limit, we're committed to providing the proper form of financing to ensure your success. Our Country Bank team of professionals believes that banking should be about taking care of your business. That's why the right bank makes all the difference.

Krista Hanson and Glenn Hanson, Colony Hills Capital, LLC
Carla Alves, Country Bank

- **COMMERCIAL REAL ESTATE LOANS:** Allows you to acquire, develop or refinance multi-family investment properties or commercial and industrial buildings with competitive rates and flexible terms.
- **COMMERCIAL TERM LOANS:** Provides financing for new or used equipment, to update your businesses' technology, make leasehold improvements, acquire a company, or buy out stakeholders.
- **COMMERCIAL LINES OF CREDIT:** Pre-approved Lines of Credit ensure you have a steady stream of funding to supplement your working capital, finance inventory, offset seasonal differences in cash flow, or for other business needs.
- **SMALL BUSINESS ADMINISTRATION (SBA) GUARANTEED LOANS:** At Country Bank, we can help you facilitate government guaranteed loans for new business acquisitions, lines of credit, machinery and equipment financing, and business expansion.

BUSINESS BANKING

To us, being your financial partner is not just a job. It's the best way we know how to make a difference for those who put their blood, sweat, and tears into building something that improves their communities. When done right, a loan can be the difference maker in helping your business get ahead.



Shane Elder, VP Business Banking

"Our Business Banking team measures success by our impact on our clients and the communities we serve, not by the loan size. We understand that small business is the lifeblood of our communities, and we are honored to say that we made a difference for 30 business owners in 2022. Our team's focus has been building a dedicated support team to assist our customers with any questions or concerns they may have. We take great pride in being a trusted advisor and in our responsiveness. We welcome the opportunity to learn more about your business. Nothing makes us prouder than helping local businesses thrive!"

Interest Checking & Earnings Analysis Checking

Earn a competitive yield on account balances with our Business Interest Checking Account. Or, if offsetting transaction and service-related fees is your priority, look to our Earnings Analysis Checking Account for a highly competitive earnings credit rate.

Growth Business Checking

Ideal for businesses with moderate transaction volume.

Community Business Checking

Ideal for businesses with low transaction volume.

Zero Balance Checking

Businesses with multiple accounts often use zero balance accounts to eliminate excess balances in separate accounts, and to maintain greater control over disbursement of funds. These accounts often handle items such as payroll, petty cash and other similar needs.

NEW - Business Express Line of Credit

Whether it is to supplement your business's working capital, finance inventory, offset seasonal differences in cash flow or for any other immediate needs that your business may have. Maximum credit line amount up to \$25,000.

NEW - Business Express Term Loan

Finance new or used machinery, equipment, leasehold improvements, or update technology to improve business operations. Maximum loan amount up to \$50,000.

Cash Management Services:

- ACH Origination
- ACH Positive Pay
- Remote Deposit Capture
- Check Positive Pay with Account Reconciliation
- Domestic Online Wire Transfers
- Line of Credit Sweep

MAKING A DIFFERENCE FOR OUR BUSINESS CUSTOMERS

“Country Bank has a very strong presence in Central Massachusetts and a strong reputation. They offered us competitive terms and were easy to deal with. Country Bank is a relationship-based bank and that is important to us.”

Edward Carney
President & COO
Claremont Corp.



AC Hotel by Marriott



554 Main St. in the Theatre District

“We were impressed with Country Bank’s outreach and engagement with the local community. It touched a chord with us as it parallels our mission statement. Coming from DC, we were welcomed with open arms by the City of Worcester and the local business community. From the very start, Country Bank served as a beacon for our organization, always quick to be a referral source when we needed to expand our professional network. Their professionalism and company culture are at the heart of how they operate.”

Mark Rengel
Vice President
The Menkiti Group



MAKING A DIFFERENCE FOR OUR BUSINESS CUSTOMERS



“Our vision of owning our own office could never have been realized without the help of Country Bank. There is a lot of competition in the banking community throughout Western Massachusetts. We chose to work with Country Bank because of your local expertise, excellent customer and personal service, and rates. We will now be able to serve more families in need by improving their critical housing and chronic health conditions.”

Colleen Shanley-Loveless

President & CEO

Revitalize Community Development Corporation



“Precision of execution is critical to our brand and growth. Country Bank has flawlessly met every challenge. Success takes a team and we are proud to say that Country Bank is our bank of choice and part of our team.”

Krista & Glenn Hanson

Director of Logistics and Design | CEO & Founder
Colony Hills Capital, LLC



“You need a lender that understands changes in the market and can be flexible. I appreciate Country Bank’s aggressive but smart, professional, and honest approach. They didn’t waste time. It was clear on the front end what to expect. They were helpful all the way and have been a joy to work with.”

Charles (Chip) Norton

Managing Partner, Franklin Realty Advisors, LLC
Developer & Property Manager, Mercantile Center



Table Talk® Pies

“Country Bank has been awesome to work with. Whether it was a \$3 million short term mortgage, a \$600,000 buyout of an equipment lease, or a \$20 million Line of Credit, Country Bank has been there when we needed them. They were highly recommended by a long-time customer of the bank, and I am glad we listened to him. I don’t know of any other bank in the area that would have worked as fast and shown as much flexibility as Country Bank.”

Harry Kokkinis
President & CEO
Table Talk



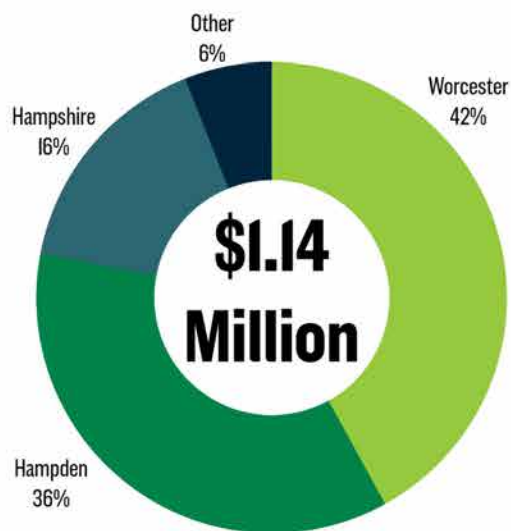
“When we first met with Harry and his partners, we were impressed by Table Talk’s unwavering commitment to producing the highest quality pies coupled with its emphasis on customer service that allowed it to prosper for close to one hundred years. At Country Bank, we too understand that the true test of a successful business is for it to remain rooted in its core values. Similar to Table Talk’s nearly century-old commitment to quality and customer service, Country Bank’s focus for the past 173 years has been guided by its Corporate Values of Integrity, Service, Teamwork, Excellence and Prosperity.” ~ **Country Bank**

WE THINK GIVING BACK MAKES ALL THE DIFFERENCE

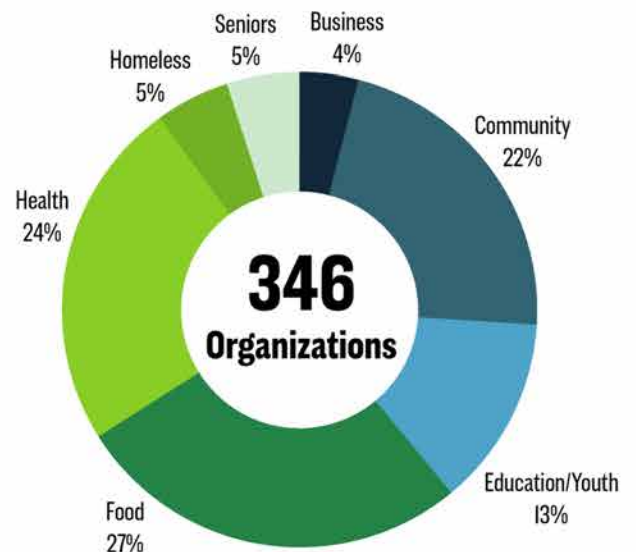
1,091 Volunteer Hours Served



2022 Donations



Total Donations



Donations by Type



Non-Profit Support

64 of the bank's team members served on 33 individual non-profit boards and committees throughout the region.



Made to make a difference.

Business Offices:

315 Main Street, Worcester

1500 Main Street, Tower Square, Springfield

Banking Center Locations:

Ludlow | Wilbraham | Belchertown | Palmer | Ware | Brimfield

West Brookfield | Leicester | Charlton | Paxton | Worcester

800-322-8233

www.countrybank.com