

2023 | ANNUAL REPORT



"Come Grow With Us!"

Claremont Savings Bank



President's Message



Looking back on 2023, it was a year marked by significant change, high interest rates, and an elevated inflationary environment at levels not seen for decades. The elevated rate environment has drastically slowed the rate of home sales within our Communities, and it has placed immense pressure on businesses of all sizes. The stock market, performing a bit lackluster for most of the year, rebounded nicely at the end of the year with the hope that interest rates will stabilize and even begin decreasing in 2024.

While Claremont Savings Bank (CSB) continues on its course of steady growth, the banking industry continues to undergo a major transformation. Consolidation and increased competition from non-bank financial technology firms, the ensuing disruption and change, and the increased use of technology have depersonalized the way banking products and services are provided,

which increases the distance between many financial institutions and their customers.

Everyone - individuals, businesses, and governments – want to have a close relationship with a banking partner who knows them and who can provide personal, responsive, and flexible answers to their needs quickly and decisively. While some of our competitors rely solely on technology to serve their customers, our mission is to foster personal connections. We leverage technology to bring you closer to us, enhancing efficiency, communication, and delivering high-quality service and products. As your trusted advisors, we are committed to empowering you on your financial journey by offering expert advice and incorporating cutting-edge solutions to meet your evolving needs. **Come grow with us** as we continually adapt to enhance your overall banking experience.

Through all of this uncertainty and changing realities, CSB has stood strong and true to our commitment to be here for our Customers and Communities. Our culture has never been stronger and fuels an atmosphere that empowers and supports a dedication to Customers, Employees, and Communities. Our goal is to continuously improve, each and every day and in everything we do.

Deepening Our Roots

As a mutually owned community bank, CSB maintains a strong and visible presence in the Communities we serve. The entire CSB Team actively participates in and supports numerous charitable, community, social, and economic development organizations throughout the area. We believe that a strong and vibrant local economy, supported by high quality, well-funded social and community services, is one of the keys to CSB's future success and that of our Customers and Communities.

In 2023, through the CSB Foundation and the Bank's donations, we raised and provided grants and contributions totaling more than \$175,000 to over 140 organizations.

To keep in close touch with our Customers and the Communities we serve, CSB has a special group of community ambassadors, the 32 member Board of Corporators. We salute them for their advice and guidance. The newly appointed members in 2023 were: Greg Soho, CFO of Granite Air Center and, Jon Liland, Attorney at Sheehan Phinney.

As we embark on 2024, your Trustees, Senior Management, and all members of the CSB Team vow to keep focused on what we do best, remain dedicated to our founding vision of exceptional service, community support, and independence. This is the principle on which Claremont Savings Bank was founded, the basis for what the Bank is all about today, and will continue on into the future.

Thank you for your trust in CSB and allowing us to earn your relationship each and every day.

A handwritten signature in dark ink, appearing to read 'D. Finnerty', with a stylized flourish at the end.

David J. Finnerty
President and Chief Executive Officer

Bank Highlights

2023 was a year of many changes for CSB. As you are aware, the Bank went through a robust and comprehensive technology upgrade in August. This expanded capability will enhance the Bank's ability to maintain and access customer information and to substantially improve response time to Customer inquiries. With our Customers' needs paramount, we have invested substantial resources to bring these enhanced capabilities to you.

The CSB Team showed great resiliency as we prepared for and worked through the actual event and post upgrade environment. We are very proud of all our Team members; they came together to support one another and, most importantly, to support our Customers through this challenging time. It is from all of us that we say thank you to all our Customers for your patience and understanding as we navigated this very complex but needed change. If that were not enough, CSB also went through a leadership change at the President and CEO level. Reggie Greene said his farewells after 7 years at the helm; much is owed to his leadership in bringing CSB to where it stands today. We wish Reggie and his wife, Sue, the very best in the future and know they will always be a part of the CSB Team.



Financial Highlights

The CSB Team, working through the challenges put before us in 2023, saw loan growth of over \$13M due to the extraordinary efforts of our Commercial Lending and Residential Mortgage teams. Claremont Financial Services continues to grow and bring value added financial advice and services to our Clients, seeing an increase in advisory services upwards of 10% despite the volatility of the markets throughout the year.

2023 was a very challenging year with banks fighting for deposits and offering interest rates at record levels. The elevated rate environment saw CSB face increased levels of expense to continue to provide quality loans to Customers in our Communities. Even with these pressures, the Bank was able to maintain deposit levels year over year. CSB saw one of its largest increases in interest rate expense from 2022 to 2023, driven by historic interest rate levels. Nevertheless, the CSB Team pushed through these challenging times and helped the Bank post an overall net income of just over \$1.7M. The stock market rally in December 2023 helped reverse the position from 2022 where the Bank had a net income loss of approximately \$1.4M, representing an overall positive turnaround of \$3.1M.



Overall Net Income



Tier 1 Leverage Ratio

Claremont Savings Bank Financials

Years Ended December 31, 2023 and December 31, 2022

CONSOLIDATED BALANCE SHEETS	2023 (Unaudited)	2022
ASSETS (000's)		
Cash and due from banks	\$ 18,046	\$ 8,671
Investment securities	88,761	90,406
Loans, net	416,043	402,721
Premises and fixed assets	9,818	10,060
Other assets	\$ 18,562	17,983
Total assets	<u>\$ 551,230</u>	<u>\$ 529,841</u>
LIABILITIES AND EQUITY	2023	2022
LIABILITIES (000's)		
Deposits	\$ 415,286	\$ 430,012
Borrowings	62,605	32,500
Other liabilities	6,791	3,382
Total liabilities	<u>\$ 484,682</u>	<u>\$ 465,894</u>
EQUITY (000's)		
Total Equity Capital	<u>\$ 66,548</u>	<u>\$ 63,947</u>
Total liabilities & equity	<u>\$ 551,230</u>	<u>\$ 529,841</u>
INCOME STATEMENTS	2023	2022
INTEREST INCOME (000'S)		
Total Interest Income	\$ 20,771	\$ 16,793
Total Interest Expense	8,196	2,369
Net Interest Income	<u>\$ 12,575</u>	<u>\$ 14,424</u>
NET INCOME	2023	2022
PRE-TAX INCOME (000's)		
(Reversals)/Provision for Loan Losses	\$ (140)	\$ (206)
Non-Interest Income	3,044	3,069
Non-Interest Expense	15,711	14,595
Unrealized Gains/(Losses) on Equities	1,792	(5,284)
Realized Securities Gains	65	-
Pre-Tax Income	<u>\$ 1,905</u>	<u>\$ (2,180)</u>
INCOME TAXES (000's)		
Income Taxes	<u>\$ 198</u>	<u>\$ (777)</u>
Net Income	<u>\$ 1,707</u>	<u>\$ (1,403)</u>

Claremont Financial Services Highlights

Claremont Financial Services embraced 2023 as a year to continue growing and building long-term relationships with current and new Clients. As the team recovered from a volatile 2022, they were able to maintain the upward trend of growth with over 30 new client relationships, bringing \$15M in new assets. As we look forward in 2024, we will have an on-going focus of helping new and existing Clients build a successful financial future while also increasing financial education for our Communities.

Team Highlights

CSB prides itself on exemplary dedication to our Customers and Communities, all made possible by our incredible Team. I would like to celebrate our CSB Team members and their 2023 achievements:



Carol Vivian has been promoted to **Senior Vice President, Chief Customer Experience Officer** overseeing Retail Banking, Deposit and Loan Operations, Facilities, and Project Management. Carol came to Claremont Savings Bank as a Teller in 1985. She has worked in a wide variety of positions in the Bank, always with a focus on Customers. Carol possesses a tireless dedication to providing excellent customer service and maintaining the Bank's deep commitment to our Communities.



Jim Lynch has been promoted to **Senior Vice President, Chief Lending Officer** overseeing all aspects of the Bank's lending functions. Jim is in his seventh year with CSB. His career spans over 30 years and a variety of banking experiences from large regional institutions to where he found his home in community banking. Jim brings a thoughtful leadership style and an unparalleled passion for community banking through his commitment to serving Customers and Communities.



Chrissy Fratzel has been promoted to **Senior Vice President Human Resources and Corporate Training** overseeing the Bank's most valued assets, our Team members, and the build out of a new Bank wide training framework for the continued development and success of our Team. Chrissy has been with CSB since 2009; her passion for the Bank, Team, Customers, and Community drive the strong culture of CSB and ensure we keep our Team members front of mind.

Carol, Jim, and Chrissy are incredible assets to our Team, and we greatly appreciate their dedication, passion, and expertise.

In addition, we proudly recognize the achievements of the following CSB Team members and announce these additional promotions and/or shifts into exciting new roles that will carry CSB forward into the future and continue our strong tradition of providing superior levels of service to our Customers and Communities:



Andrea Brown
Asst. Branch Manager,
West Lebanon



Ann Dewey
AVP, Retail
Innovation Officer



Ann Lavigne
Asst. Branch Manager,
Claremont



Austin Haase
VP of Mortgage Credit
Administration



Brandy Blackinton
SVP of Residential &
Consumer Lending



Brian Baril
Security Administrator



Crystal Junod
Relationship Banker



Dawn Churchill
VP, Bank Risk Officer



Donna Kennison
Mortgage Solutions Specialist



Gabriel Webb
Relationship Banker



Hayley Roach
Business Services Support Specialist



Jasmyne Desilets
Operations Specialist



Jerica Tyrrell
Asst. Branch Manager, Springfield, VT



Jim Parsons
Senior Application Support Specialist



Justin Provost
VP, Commercial Credit Team Leader



Kathy Dickinson
Call Center Specialist



Kelsi Nelson
Asst. Branch Manager, Charlestown



Logan Garrow
Relationship Banker



Maria Horne
Asst. Branch Manager, Claremont



Marissa Brunelle
Corporate Trainer



Molly DeLuca
VP of Marketing



Ryan Chapdelaine
Commercial Credit Analyst



Sean Long
VP, Commercial Lending Team Leader



Shanna Emanuel
Retail Business Systems Analyst



Tausha Shute
VP of Retail Banking



Tracie Howe
Sr. Mortgage Support Assistant



Vicki Corliss
VP, BSA Officer and Audit Manager



Zachary Haines
VP, Digital Banking Product Manager

Team Members Welcomed to the CSB Family in 2023



Felisha Powell
Teller



Jade Cook
Mortgage Support
Assistant



Kayla Falconer
Marketing
Coordinator



Liza McSwain-Hull
Business Services
Representative



Michelle Dole
Administrative Assistant

2023 Key Anniversaries



Allison Childs
5 Years



Becky Vittum
25 Years



Brandy Blackinton
10 Years



Lynn Smith
15 Years



Marissa Brunelle
10 Years



Mercy Collins
10 Years



Nancy Placy
10 Years



Sam Menendez-Thrall
5 Years



Tausha Shute
25 Years

Trustees

Heather Minkler
(Chair)

Kathy Hubert
(Vice Chair)

Bob Porter

Brian Boardman

Bryan Huot

David Finnerty

Joseph Gorman

Sera Gray

Steve Monette

Tammy Bergeron

Tom Connair

Senior Management

David Finnerty
President and Chief
Executive Officer

Carol Vivian
Senior Vice President,
Chief Customer
Experience Officer

James Lynch
Senior Vice President,
Chief Lending Officer

Brandy Blackinton
Senior Vice President,
Residential and
Consumer Lending

Chrissy Fratzel
*Senior Vice President,
Human Resource and
Corporate Training*

Lynn Smith
*Senior Vice President,
Controller*

Ashleigh McFarlin
*Vice President,
Investment Advisor
Representative*

Colby Martin
*Vice President,
Information Security
Officer*

Dawn Churchill
*Vice President, Bank Risk
Officer*

Molly Deluca
*Vice President,
Marketing Officer*

Bank Leadership

Andrea Brown
*Assistant Branch
Manager*

Ann Dewey
Retail Innovation Officer

Ann Lavigne
*Assistant Branch
Manager*

Austin Haase
*Vice President of
Mortgage Credit
Administration*

Brenda Cox
*Vice President of
Commercial Credit
Administration*

Howard Grace
Facilities Manager

Jerica Tyrrell
*Assistant Branch
Manager*

Julie Martin
*Vice President of
Business Services*

Justin Provost
*Vice President,
Commercial Credit
Team Leader*

Kelsi Nelson
*Assistant Branch
Manager*

Maria Horne
*Assistant Branch
Manager*

Melissa Wooddell
*Vice President of
Loan Servicing*

Nicole Picard
*Deposit Operations
Manager*

Ryan Tremblay
*Vice President,
Branch Manager*

Sean Long
*Vice President,
Commercial Lending
Team Leader*

Sheila Rook
Branch Manager

Tausha Shute
*Vice President, Retail
Banking*

Terri Decker
*Vice President of
Private Banking*

Tracey Rouillard
Call Center Manager

Zach Haines
*Vice President, Digital
Product Manager*

Claremont Financial Services

Ashleigh McFarlin
*Vice President,
Investment Advisor
Representative*

Becky Vittum
*Investment Advisor
Representative*

Kayla Rivet
*Registered
Administrative Associate*

Corporators

The Board of Corporators is a special group of Customers and ambassadors of CSB. Thirty-two strong, they help us keep in close touch with the Community and provide quality advice and guidance. As always, their wisdom, experience, and commitment form an asset of enduring value.

CSB In The Community



“Come Grow With Us!”



For 117 years, Claremont Savings Bank has served the banking needs of people throughout the region. And while much has changed since 1907, you can be sure that our commitment to providing exceptional personal service remains today as in years past.

For the years to come, and through all of life's changes, we are here to help. Whether you are looking to build your savings, purchase a home, efficiently manage your finances, or take advantage of convenience services such as online and mobile banking from a local resource you can trust, we're here for you. ***Come grow with us.***



Claremont • Charlestown • Springfield, VT • West Lebanon

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claremontsavings.bank

EQUAL HOUSING LENDER

MEMBER FDIC