



Community First Since 1899

For Mascoma Bank, becoming a Certified Benefit Corporation® was a natural extension of what we have always been—a bank chartered to serve the needs of our communities. Now, we take that commitment even further.


As a Certified Benefit Corporation:

- ▶ We strive to be a force for positive change, creating benefit for all our stakeholders—not shareholders.
- ▶ We conduct business knowing that people and place matter, aspiring both to do no harm and to benefit all.
- ▶ We recognize our INTERdependence, because we are dependent on and responsible for each other as well as future generations.
- ▶ We are not just any other bank, and we will continue to change and grow to better serve the world around us.
- ▶ We are not afraid to do things differently and we constantly strive to do things better.
- ▶ We make the change we seek happen and we invite everyone to be part of this future.



“**Mascoma Bank has always been different by design.** It’s been set up for our communities and our customers. That gives us a lot of latitude to focus on the return to our broad range of constituents versus the return to a group of investors.”

—Clay Adams
President
Mascoma Bank



Lucinda Walker
Director of the Norwich Library

BY THE NUMBERS

\$7.4
MILLION

**SUPPORT FOR
NONPROFITS**

TOGETHER, MASCOMA
BANK AND THE MASCOMA
BANK FOUNDATION
HAVE DONATED NEARLY
\$7.5 MILLION TO LOCAL
NONPROFITS OVER THE
PAST FIVE YEARS.

Making a Positive Impact

10%

TO PHILANTHROPY

The annual budget for giving from the Bank is based on 10.06 percent of budgeted pre-tax income. As the Bank grows and prospers, so does the amount of money we infuse directly into the community.

85%

HAVE THE OPPORTUNITY

85 percent of employees feel that at work, "I have the opportunity to do what I do best every day."

4,200

HOURS ON EDUCATION

Mascoma Bank employees spent 4,200 hours on education to continuously improve their skills and abilities.

50%

WOMEN

50 percent of our Board Members are women.

\$253 MILLION

HOME LOANS IN 2019

We lent \$253,191,715 to put people into their own homes in 2019.

14 TONS

RECYCLED PAPER

We recycled more than 28,000 lbs of paper (14 tons) in 2019.



B IMPACT REPORT

Certified Since June 2017

	Company Score	Median Score
ENVIRONMENT	6	7
WORKERS	35	18
CUSTOMERS	20	N/A
COMMUNITY	41	17
GOVERNANCE	20	6
OVERALL RATING	122	55



2019 BY THE NUMBERS

261

**FIRST-TIME
HOMEBUYERS**

MASCOMA BANK
PROVIDED FINANCING TO
HELP PUT 261 INDIVIDUALS
AND FAMILIES INTO THEIR
FIRST HOME.



2019 BY THE NUMBERS

5,664

VOLUNTEER HOURS

IN 2019, MASCOMA BANK
SET ASIDE 5,664 HOURS TO
ALLOW EMPLOYEES
TO VOLUNTEER IN OUR
COMMUNITY.

community

Housing: Opportunity and Burgeoning Crisis

One of our most important roles as a mutually owned community bank is helping our neighbors find affordable places to live, which will allow them to build the lives they want to lead. We work with people of all financial means to get them into their own homes, embracing innovative and creative ways to meet that goal, including FHA and VA loans. Our team gains a great deal of satisfaction every time we help a family or an individual realize the dream of home ownership.


Sometimes, we can accomplish this on a larger scale, and sometimes, it means working with individuals. Mascoma Community Development continues to play a key role in larger impact projects. Our team of five brings to bear a tremendous skill set and uses every tool available at the state and federal level to open up more pathways to affordable housing. We worked with the Federal Home Loan Bank to access affordable capital to make the Twin Pines project at Tracy Street a reality. Now, in West Lebanon, there are 29 new homes primarily for people who are earning below the area median income.

We understand from a community development standpoint that the lack of workforce and affordable housing is a challenge for every employer. There is very little housing inventory being built to meet the needs of those earning between 60% and 100% of the area median income. At Mascoma, we use our voice to encourage the creation of new housing and advocate whenever and wherever we can.



“**We couldn't have done this without having Mascoma Bank as a dedicated partner.**”

—**Andrew Winter**
Executive Director
Twin Pines Housing



2019 BY THE NUMBERS

**\$1.9
MILLION**

**SUPPORT FOR
NONPROFITS**

IN 2019, MASCOMA BANK
AND THE MASCOMA BANK
FOUNDATION SUPPORTED
LOCAL NONPROFITS WITH
OVER \$1.9 MILLION IN
CHARITABLE DONATIONS.



Tackling the Housing Challenge

Beyond the feel-good aspects of creating new housing opportunities, as a business, we are concerned that the Upper Valley's economy will begin to suffer if there is no one to hire. Simply put, affordable workforce housing is just not here, and without the housing, there is no workforce.

As a member of the Corporate Council of Vital Communities, we have helped advocate for proactive zoning change in various municipalities, attended legislative breakfasts, and testified in front of legislative bodies on both sides of the Connecticut River, consistently sounding the alarm about the housing challenges in the area. As a company, we make every effort to communicate the urgency of the housing situation with our team. Many of us focus on these matters on our own time as well as at work.

One of our core missions as a community bank is to stoke sustainable economic development in the cities and towns where we operate. We want to be a reliable partner as we work with a broad array of constituencies to develop dense, walkable communities that will thrive in the 21st century.

From a philanthropic standpoint, we are deeply committed to these issues. We sponsor annual events at the Burlington Champlain Housing Trust and Housing Vermont.

Whenever we have the opportunity, we purchase tax credits that have to do with low-income housing. We make it a point to help organizations that are working on shelter and housing issues around the Upper Valley, North Country, the Monadnock Valley, and Burlington. It's just one way we can build and expand our relationship with housing advocates in our market areas. We hope you, too, recognize this critical issue and consider how you can have an impact.



“Housing is quickly becoming our local communities’ most critical issue. It is essential that we step up and make a positive impact.”

—Clay Adams
President
Mascoma Bank

WORKFORCE HOUSING & COMMUNITY LIVING AT LLOYD'S HILLS

BETHLEHEM, NEW HAMPSHIRE

MASCOMA BANK PURCHASED TAX CREDITS FOR AHEAD (AFFORDABLE HOUSING, EDUCATION AND DEVELOPMENT INC) IN 2019 AND HAS COMMITTED FOR MORE IN 2020 TO BENEFIT THIS 28-UNIT LOW-INCOME HOUSING DEVELOPMENT NOW UNDER CONSTRUCTION. THE DEVELOPMENT INCLUDES A COMMUNITY BUILDING, SOLAR ARRAY, AND CONSERVED LAND WITH PUBLIC TRAIL ACCESS. THE PROJECT WILL ADDRESS AN ESTABLISHED NEED FOR AFFORDABLE HOUSING IN THE NORTH COUNTRY, PROVIDING A STRONG COMMUNITY AND ECONOMIC BENEFIT.



BY THE NUMBERS

\$281 MILLION

CAPITAL INVESTMENTS

SINCE 2016, MASCOMA COMMUNITY DEVELOPMENT HAS PROVIDED \$105 MILLION OF NEW MARKETS TAX CREDIT ALLOCATION AUTHORITY TO 16 HIGH-IMPACT COMMUNITY AND ECONOMIC DEVELOPMENT PROJECTS THROUGHOUT ITS SERVICE AREA, RESULTING IN A TOTAL CAPITAL INVESTMENT OF \$281 MILLION, AS WELL AS THE CREATION AND RETENTION OF OVER 1,380 JOBS IN ECONOMICALLY DISTRESSED COMMUNITIES.

people

A Culture of Teamwork

Ways in which Mascoma Bank supports team members at every level:

- ▶ 5,664 hours of paid volunteer time available to employees
- ▶ Up to \$300 in company matches for employee giving
- ▶ Active employee groups such as the Wellness Team, B Corp Impact Teams, and the Young Bankers Committee
- ▶ An inclusive culture that embraces diverse opinions and ideas
- ▶ Real-time collaboration tools that enable more efficient teamwork
- ▶ Lots of room for growth! Over 50 percent of positions above entry level are filled internally.
- ▶ 100 percent of team members have social or environmental mission-related expectations in their job descriptions
- ▶ Access to free banking services, including low-interest loans and financial-planning advice
- ▶ Generous benefits, including student loan repayment and incentives for health and wellness activities



“

I feel honored to work for a financial institution that cares

about its communities and gives back. Mascoma focuses on its mission statement “customers, communities, employees.” Being certified as a B Corp has made it environmentally friendly and socially responsible. I take great pride in being a part of the Mascoma family!!”

—Feroza Maneksha
Senior Relationship Banker

“

Mascoma is a place that truly lives its values,

and it's the employees of Mascoma that keep mutual respect and trust, commitment to excellence, and employee well-being at the forefront of what we do to make sure we delight our customers. It's inspiring to work with people like that.”

—Josh Allen
Agile Coach

Ta Clarke
Senior Relationship
Banker

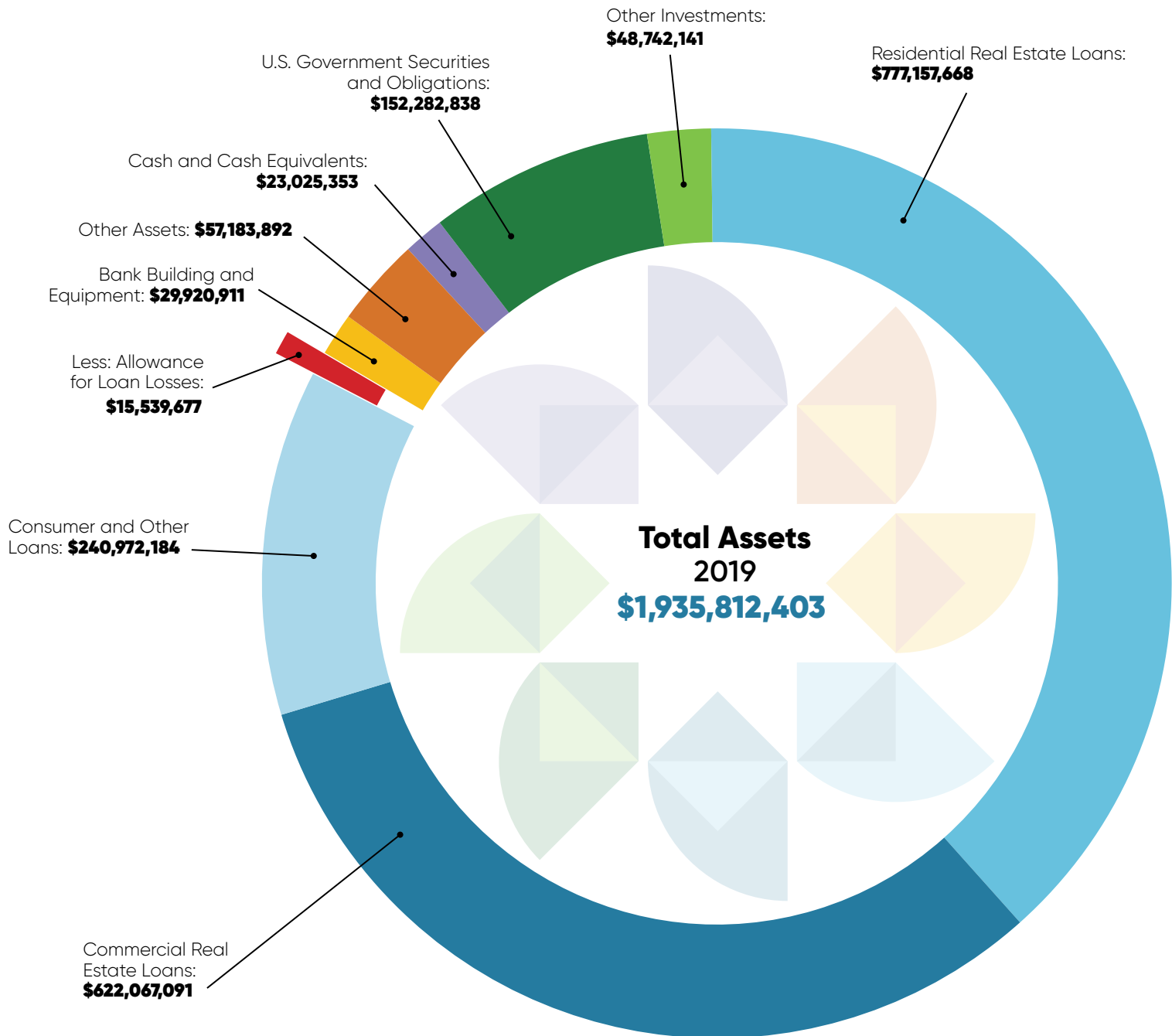
2019 BY THE NUMBERS

83%

OPINIONS COUNT

83 PERCENT OF EMPLOYEES
FELT THAT "AT WORK, MY
OPINIONS COUNT."

financials



CONSOLIDATED STATEMENT OF CONDITION

	12 months ending 12-31-2018	12 months ending 12-31-2019
ASSETS		
Cash and Cash Equivalents	26,054,096	23,025,353
U.S. Government Securities and Obligations	143,051,975	152,282,838
Other Investments	40,578,206	48,742,141
Real Estate Mortgage Loans	1,266,515,370	1,399,224,761
Consumer and Other Loans	220,592,225	240,972,184
Total Loans	1,487,107,595	1,640,196,944
Less: Allowance for Loan Losses	(15,148,408)	(15,539,677)
Net Loans	1,471,959,187	1,624,657,267
Bank Building and Equipment	27,180,151	29,920,911
Other Assets	56,581,562	57,183,892
TOTAL ASSETS	\$1,765,405,178	\$1,935,812,403
LIABILITIES		
Demand and NOW Deposits	504,296,598	559,045,042
Savings, Time and Other Deposits	1,012,554,150	1,106,135,178
Total Deposits	1,516,850,747	1,665,180,220
Sweep Accounts	17,119,923	12,370,370
Subordinated Debt	14,802,680	14,902,729
Borrowings	50,381,781	54,657,851
Total Borrowings	82,304,385	81,930,951
Other Liabilities	16,766,450	20,694,784
TOTAL LIABILITIES	\$1,615,921,582	\$1,767,805,954
CAPITAL		
Retained Earnings/Surplus	154,490,154	166,881,169
Unrealized Gain/(Loss) on Investments/Pension, Net	(5,006,558)	1,125,280
TOTAL CAPITAL	149,483,596	168,006,449
TOTAL LIABILITIES AND CAPITAL FUNDS	\$1,765,405,178	\$1,935,812,403

CONSOLIDATED INCOME STATEMENT

	12 months ending 12-31-2018	12 months ending 12-31-2019
INCOME		
Interest Income on Loans & Investments	63,893,256	70,741,410
Interest Expense on Deposits & Borrowings	10,510,555	13,647,225
Net Interest Income	53,382,702	57,094,186
Provision for Loan Losses	1,220,000	687,000
Net Income After Provision for Loan Losses	52,162,702	56,407,186
Other Non-interest Income (misc fees, overdrafts, service charges)	11,424,793	11,897,563
Gains / (Losses) on Sales of Securities	0	9,228
Other Non-interest Expenses (personnel, occupancy, other overhead)	49,472,103	54,632,943
Income Before Income Taxes	14,115,391	13,681,034
Applicable Income Taxes	2,150,288	1,290,019
NET INCOME	\$11,965,103	\$12,391,015

board & corporators

2019 BOARD OF DIRECTORS

CHAIR

Frank Leibly III
Taftsville, VT

VICE CHAIR

Deirdre Goodrich
Norwich, VT

SECRETARY

Catherine Richmond
Norwich, VT

Clayton Adams
Hanover, NH

Timothy Briglin
Thetford Center, VT

Gretchen Cherington
Meriden, NH

Joan Goldstein
Royalton, VT

Gary Gray
Westmoreland, NH

Edward Kerrigan
Hanover, NH

Sara Kobylenski
North Hartland, VT

Daniel McGee
Lebanon, NH

Susan Mooney
Grantham, NH

CORPORATORS

Clayton Adams
Hanover, NH

Joel Bedor
Littleton, NH

Jay Boucher
Enfield, NH

Timothy Briglin
Thetford Center, VT

Gretchen Cherington
Meriden, NH

Stephen Christy
Lebanon, NH

Stuart Close
Norwich, VT

Karen Colberg
Lyme, NH

Doug Cooley
Windsor, VT

Carol Cunningham
Bethel, VT

James Damren
West Lebanon, NH

Lang Durfee
Bethel, VT

Patti Friedman
Lebanon, NH

Joan Goldstein
Royalton, VT

Deirdre Goodrich
Norwich, VT

Gary Gray
Westmoreland, NH

Julia Griffin
Hanover, NH

Rebecca Hamilton
Gilsom, NH

Judy Hayward
South Royalton, VT

Erin Hennessey
Littleton, NH

John Hochreiter
Etna, NH

Erik Hoekstra
Burlington, VT

Katharyn Hoke
Elkins, NH

Joy Hutchins
Plainfield, NH

Michael Jager
Burlington, VT

Daniel Jantzen
Etna, NH

Meredith Johnson
Lebanon, NH

Jean Kennedy
Plainfield, NH

Edward Kerrigan
Hanover, NH

James Kerrigan
Burlington, VT

Sara Kobylenski
North Hartland, VT

Adam Kossayda
Harrisville, NH

Mary Ann Kristiansen
Roxbury, NH

Patricia Ladd
Chelsea, VT

Phil Lapp
Sharon, VT

David Laurin
White River Junction, VT

Frank Leibly III
Taftsville, VT

Jenny Levy
Hanover, NH

Joseph Longacre
N. Haverill, NH

Barry McCabe
West Hartford, VT

Daniel McGee
Lebanon, NH

Deborah McGrath
Grantham, NH

Virginia McGrody
Enfield, NH

Robert Meyers
Woodstock, VT

Katherine Milligan
Thetford, VT

Susan Mooney
Grantham, NH

Robert Moses
Lebanon, NH

Gary Neil
Quechee, VT

Sonia O'Banion
White River Junction, VT

Hildegard Ojibway
White River Jct, VT

Michelle Ollie
White River Junction, VT

Patricia O'Neill
Windsor, VT

Merritt Patridge
Lyme, NH

Rebecca Powell
Enfield, NH

Scott Putney
Bethel, VT

Susan Reeves
New London, NH

Catherine Richmond
Norwich, VT

Victor St. Pierre
Charlestown, NH

Marcos Stafne
White River Junction, VT

Susan Stuebner
New London, NH

Thomas Terry
White River Junction, VT

Tami Weeks
Windsor, VT

Mundy Wilson Piper
Etna, NH

Todd Winslow
Wilder, VT

Dick Jennings
Managing Director,
Mascoma Community
Development

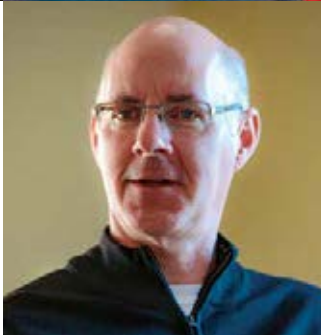
2019 BY THE NUMBERS

17

LOCATIONS

17 OF OUR BRANCH
LOCATIONS ARE PART
OF NET-METERING
AGREEMENTS WITH
SOLAR ARRAYS THAT
ARE PRODUCING SOLAR
ENERGY THAT IS PUT BACK
INTO THE POWER GRID.





SENIOR LEADERSHIP TEAM

Clayton Adams
President & CEO

Robert Boon
Senior Vice President,
Wealth Management

Melissa Carlson
Chief Human Resource
Officer

Kenneth Howe
Chief Commercial
Banking Officer

Richard Jennings
Mascoma Community
Development

Christine Morin
Chief Risk and Loan
Operations Officer

Samantha Pause
Chief Marketing Officer

Raphael Rezek
Chief Information Officer

Donald Thompson
Chief Financial Officer
and Treasurer

Kenneth Wells
Chief Retail Lending Officer

Scott Young
Chief Retail Officer

From Our Benefit Officer

As benefit officer, I am pleased to report that we were successful in achieving our goal of creating a public benefit in 2019 through the many initiatives described in this report, and because of the commitment at all levels of the Bank to pursuing that purpose. This past year was a time of great growth for the Bank, during which we deepened our understanding of what it means to be a Certified B Corp while growing our geographic footprint, expanding to more locations in Chittenden County, Vermont.

Community impact

- ▶ Opened two new offices in the Burlington area, with a third opening in February 2020. This created 11 new jobs, and we employed local contractors and subcontractors.
- ▶ Continued to pledge 10% of budgeted income to donate to our communities, which helps ensure the success and viability of our region. That's almost \$7.5 million in donations and sponsorships from the Bank and the Foundation over the past 5 years.

Employee impact

- ▶ Initiated a student loan repayment program wherein the Bank will assist employees in reducing student loan debt by contributing \$100 per month toward the loan.
- ▶ Expanded our parental leave policy to include up to 2 weeks of full pay for the supporting spouse or partner.

Environment impact

- ▶ Created a loan program for improving home energy efficiency and continued to expand our financing of residential solar projects.
- ▶ During office renovations and new construction, we utilized sustainable/renewable materials including: Marmoleum natural flooring with a 43% recycled content, ceiling tiles manufactured with either a plant-based material or from recycled plastic water bottles, paint finishes with zero or low volatile organic content, and new, highly efficient LED lighting.

Customer impact

- ▶ Worked with a local nonprofit (Pathways), which provides homecare services to help support Nepali immigrant caregivers looking to buy homes.
- ▶ Continued to participate in the Federal Home Loan Bank (FHLB) Equity Builders program, which provides homebuyers making less than 80% of the area median income up to \$15,000 of grant money to be used toward the down payment or closing costs of a mortgage. In 2019, we awarded \$43,363 in grants.
- ▶ Participated in the FHLB's Housing our Workforce program, which provides homebuyers making between 80% and 120% of the area median income up to \$20,000 in grant money to be used toward down payment or closing costs.

If you have any questions about Mascoma Bank or this report, I encourage you to contact me at 603-443-8643 or Samantha.Pause@MascomaBank.com

—**Samantha Pause**, Mascoma Bank Benefit Officer

