

Skowhegan Savings

RISING ABOVE CHALLENGES

2020 Annual Report



LETTER FROM THE PRESIDENT/CEO



This past year, my first year as president and CEO of the bank, has certainly been a unique and challenging year for us all. I can't say enough about the team that we have here at Skowhegan Savings who went above and beyond in serving our customers with the level of service that our customers expect from us despite these challenges.

We also recognize the impact this past year has had on our customers, communities and local businesses. We are proud to say that we helped 100% of our eligible business customers in obtaining the first round Paycheck Protection Program (PPP) loans. These loans contributed to keeping over 3,000 of our fellow Mainers employed during this time.

We identified ways that we could further support our communities, beyond our normal annual contributions, by donating over \$30,000 to local food banks and financially supporting several business relief grant programs in the excess of \$25,000. In 2020, we contributed over \$120,000 to local nonprofits. The bank contributed \$508,000 to the Skowhegan Savings Charitable Foundation which now has assets over \$2.7 million to invest into supporting the needs of our local economy.

Finding strength in challenges and rising to those challenges - as a team.

Last year, I reported that in 2019 that we experienced our strongest financial performance yet. Despite all of the challenges in 2020, we far exceeded our expectations for financial performance. Over 2,000 loans were originated exceeding \$147 million, ending the year with a \$4 million net profit and grew our capital base to over \$100 million. These numbers are a true reflection of our employees' commitment to go above and beyond for our customers. Our commercial lenders worked around the clock, nights and weekends, to secure PPP funding for our business customers. Our community bankers and loan processing team rose to the challenge of assisting our customers outside normal bank hours to make sure that they could secure a mortgage in a competitive real estate market. Our frontline staff worked diligently to provide a safe sanitized environment for our customers in addition to assisting them with their day-to-day banking needs. For these reasons, we were again recognized as one of Maine's Best Places to Work.

In closing, I want to thank you for choosing to bank with us and supporting us in our mission to make our communities a better place to live and work. From all of us at Skowhegan Savings, it is a privilege to serve you by choosing us to be your bank.

Stay strong, stay vigilant and we will get through this together.

A handwritten signature in black ink that reads "David Cyr".

David Cyr,
President and CEO



2020 RISING ABOVE CHALLENGES

FOR OUR CUSTOMERS

In April, the Small Business Association (SBA) launched the first round of the Paycheck Protection Program (PPP) to provide loans to help businesses keep their workforce employed during the coronavirus (COVID-19) pandemic. Our commercial lenders worked around the clock and through weekends to ensure that our business customers secured this critical funding to keep their doors open and their employees paid.

“We are proud to be able to say that we have been able to assist 100% of our eligible business customers who have applied for a Paycheck Protection (PPP) loan, keeping over 3,000 employees of Maine based businesses receiving a paycheck during this time.”

- Andrew Cook
SVP Portland Regional Market Leader

“I want to give a huge shout out to Jack Ducharme of Skowhegan Savings Bank who has worked with me all weekend helping us finalize a PPP loan for my business. I dropped papers off at his home on Saturday and Sunday and he has emailed at all different times over the weekend. Further, there are many more of their wonderful staff working this weekend to ensure small businesses in Skowhegan will be healthy. You just don't find this service at big banks. Stay local and support your local savings bank. Thank you all!”

- Donald Skillings
State Farm Agent
Skowhegan, Maine

“Thank you to Chris Farmer and Skowhegan Savings, who went above and beyond, in making this process so quick and easy.”

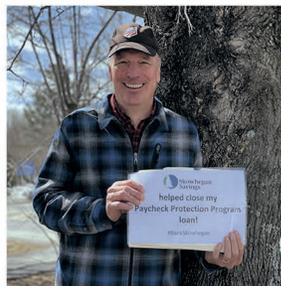
- Meg Vryhof
Blue Flame Gas
Rangeley, Maine

“John Butera assisted us with navigating through the complexities of disaster relief and the Paycheck Protection Program. During the Covid-19 pandemic we had several questions and John was quick to return our calls making sure all the time sensitive issues were completed on schedule. He takes a personal interest in our business, having visited our facility on several occasions to better understand our business model. We look forward to our continued relationship with John and the bank.”

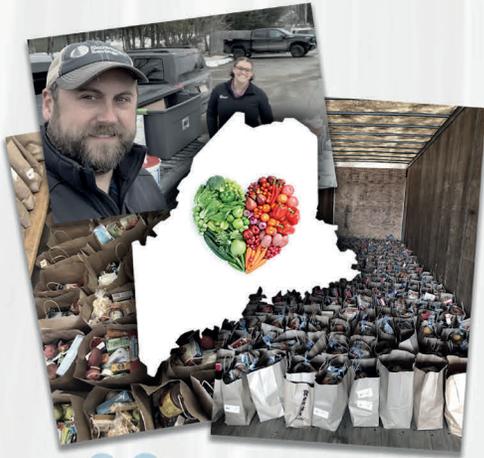
- John Goodine
Elm City Photo
Waterville, Maine



Skowhegan Savings
helped close my
Paycheck Protection Program
loan!
#BankSkowhegan



FOR OUR COMMUNITIES



Helping Mainers Facing Food Insecurity

Last year, the Skowhegan Savings Charitable Foundation helped to support Mainers facing food insecurity during COVID-19 by donating \$30,000 to 28 local food bank programs that serve central and western Maine.

“Maine ranks 12th in the United States in food insecurity, a sobering statistic that doesn’t escape our community,” said Bob Moore, executive director of the Augusta Food Bank. Skowhegan Savings Bank’s generous gift will help provide nearly 3,000 meals to our hungry neighbors.”

- Bob Moore
Executive Director of the Augusta Food Bank

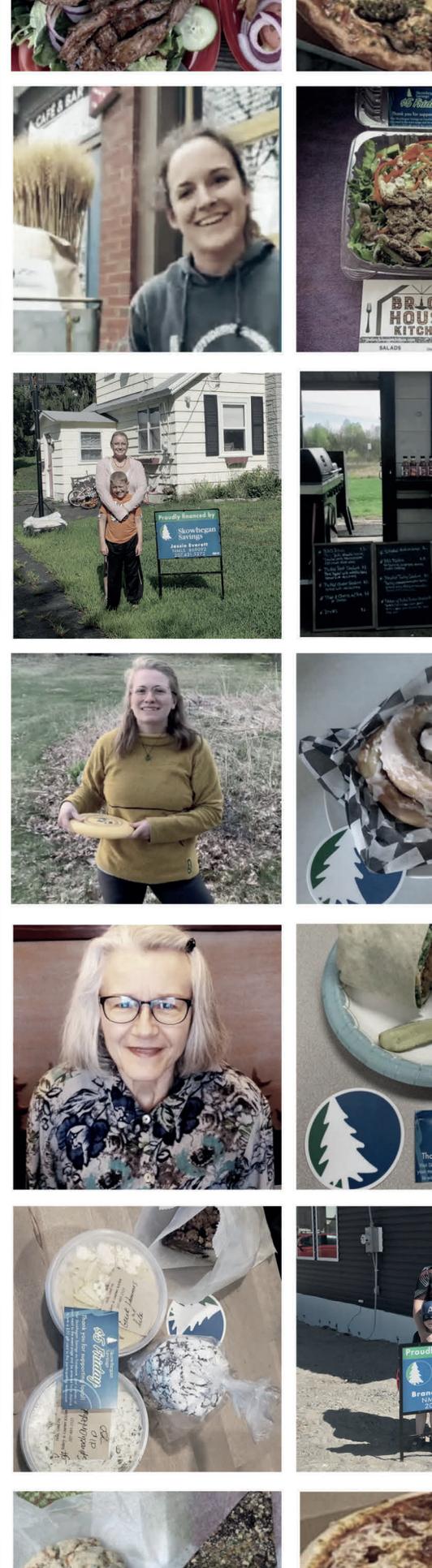
Somerset County COVID Relief Fund

As part of the Somerset County Business COVID Relief Fund, we donated \$25,000 to bring the total of available grants for 50 businesses in Somerset County, who have been negatively affected by COVID-19, to \$100,000 through the fund. The fund was created by the newly formed Community Economic Resource Council (CERC) created by regional economic development leaders in Somerset County who recognize the need for collaboration to assist local businesses during this time of need.



“Our small businesses are the key to making our communities a great place to live and work. This program will provide a little financial relief while business owners focus on the changes that are needed in their business models to remain open and successful. We are proud to help local businesses during this difficult time as we know firsthand what community support means to the economic success of us all.”

- Vicki Alward
SVP Chief Risk Officer for Skowhegan Savings,
CERC Member and President of the Somerset
Economic Development Council





Supporting Local Restaurants with \$5 Fridays

In an effort to support and promote local restaurants during this time, we created \$5 Fridays where we featured some of our favorite local #BankSkowhegan restaurants each week, during the months of August through October, and partnered with them to offer their first 100 customers \$5 off their meal courtesy of the bank on that Friday.

#supportlocal #eatlocal



“We were very busy last Friday. Our customers were very appreciative of their \$5 discount. We shared with all of our customers your contribution, I received both texts and emails from some of our regular customers thanking us for the nice gesture. Thank very much for doing this for Sarge’s and our customers!”

- Craig Sargent
Sarge’s Pub & Grub
Rangeley, Maine



Teaming with Local Businesses to Share Our Advertising Dollars

Knowing that our local small businesses were facing some unique challenges this year, we came up with a way to further support them by kicking off Small Business Month by sharing our advertising dollars with them to raise awareness for their business.



“Thank you so much for this opportunity!”

- Denise Murchison
Silverton Sporting Ranch & BBQ Food Truck
Canaan, Maine



2020 RISING ABOVE CHALLENGES FOR OUR EMPLOYEES

2020 was a challenging time for our employees. In March, about half of our employees were asked to work remotely while front line staff worked in rotations in an effort to keep them and our customers safe. Our employees had to adapt to Center for Disease Control (CDC) guidelines, personal protection equipment (PPE) protocols and branch disinfection regimens. They went above and beyond as a team this year to rise to these challenges, while still providing the level of exceptional customer service that our bank's customers have come to expect from us. To keep connected during this time, we held several virtual team building events filled with surprises like 'Fun Fridays', all employee bingo, gift certificates to our online logo wear store and other simple daily acts of appreciation.

"Skowhegan Savings has strived to make our communities a better place to work and live for over 150 years. Our success is derived from great employees who treat our customers with integrity, take pride in their roles and work as a team, even when faced with the unique challenges of this year. Thank you to the Skowhegan Savings team for making the bank what it is today and demonstrating the pride of what it means to 'Bank Skowhegan.'"

- David Cyr
President and CEO

Proud to be named one of
2020 BEST PLACES TO WORK IN MAINE



2020 EMPLOYEE OF THE YEAR
Bill Halliday
AVP Loan Servicing Manager



STATEMENT OF THE STANDING AND CONDITION OF THE
SKOWHEGAN SAVINGS BANK

CONSOLIDATED SUMMARY BALANCE SHEETS

YEARS ENDED DECEMBER 31, 2020 AND 2019

| ASSETS | 2020 | 2019 |
|--|----------------------|----------------------|
| Cash & Cash Equivalents | 79,687,287 | 15,247,196 |
| Investment Securities | 130,342,990 | 78,145,764 |
| Equity Securities | 11,484,320 | 14,415,926 |
| Loans | 471,255,040 | 469,279,124 |
| Other Assets | 29,534,430 | 29,244,813 |
| TOTAL ASSETS | \$722,304,067 | \$606,332,823 |
| LIABILITIES AND CAPITAL | | |
| LIABILITIES | | |
| Customer Deposits | 598,749,618 | 473,240,969 |
| Other Liabilities | 5,583,233 | 5,451,008 |
| Deferred Tax Liability | - | 300,130 |
| FHLB Borrowings | 17,603,750 | 32,408,750 |
| Total Liabilities | 621,936,601 | 511,400,857 |
| CAPITAL | | |
| Retained Earnings | 98,693,610 | 94,451,341 |
| Accumulated Other Comprehensive Income | 1,673,856 | 480,625 |
| Total Capital | 100,367,466 | 94,931,966 |
| TOTAL LIABILITIES & CAPITAL | \$722,304,067 | \$606,332,823 |

CONSOLIDATED SUMMARY STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2020 AND 2019

| INTEREST INCOME/EXPENSE | 2020 | 2019 |
|---|--------------------|--------------------|
| Interest and Dividend Income | 23,735,205 | 23,859,153 |
| Interest Expense | 2,176,339 | 3,479,608 |
| Net Interest Income | 21,558,866 | 20,379,545 |
| Provision for Loan Losses | 975,000 | 390,000 |
| Net Interest Income After Provision for Loan Losses | 20,583,866 | 19,989,545 |
| NON-INTEREST INCOME/EXPENSE | | |
| Non-Interest Income | 2,365,708 | 2,270,386 |
| Non-Interest Expense | 18,148,951 | 16,924,355 |
| Income Before Income Taxes and Security Gains | 4,800,623 | 5,335,576 |
| Net Security Gains | 3 | 92,019 |
| Net Unrealized Gains on Equity Securities | 4,268 | 2,893,192 |
| Income Tax Expense | 562,625 | 1,559,697 |
| NET INCOME | \$4,242,269 | \$6,761,090 |

BOARD OF DIRECTORS

Richard Anzelc, Chairman Carolann Ouellette
Joshua Broder Claire Theriault-Perkins
David Cyr Howard Sevey
Ben Marcus John Witherspoon

OFFICERS

James Alberico VP Risk Management Officer
Vicki Alward SVP Chief Risk Officer
Lynn Andrews AVP Mortgage Loan Underwriter
Nathan Archibald AVP Commercial Loan Officer
David Aurigemma VP Special Assets
Jacob Benner Network Administrator
Kalyn Black CRM Manager
Vicki Bosworth AVP Deposit Services Manager
John Butera VP Commercial Loan Officer
Karen Chapman VP Training Manager
Andrew Cook SVP Regional Market Manager
Barbara Cotta SVP Chief Operations Officer
David Cyr President/CEO
Tracy Dean VP Retail Customer Relations
Kristen Dubord Community Banker
Jessica Everett Community Banker
Christopher Farmer VP Regional Community Banker
Albert Ferland AVP Facilities Manager
Brian Fitzpatrick AVP Indirect Lending Manager
Donna Fortin VP Deposit Relations
Andrew Fortin-Trimble VP Director of Marketing
Kimberly Friend AVP Commercial Credit Manager
Stephen Gray VP Commercial Loan Officer
Cara Greenwood AVP Loan Servicing Manager
William Halliday AVP Loan Servicing Manager
Renee Hawthorne Community Banker
Felicia Huff AVP IT Manager
Jessica Laplant AVP Controller
Gregory Legier VP Commercial Loan Officer
Shelly Lowell Community Banker
Greg O'Neil Network Administrator
Brandi Meisner Community Banker
Tim Michalak VP Commercial Loan Officer
Donna Mills-Stevens VP Regional Community Banker
Debbie Nadeau AVP Call Center Manager
Paula Nelson AVP Special Assets Manager
Dawn Palmer SVP Chief Human Resources Officer
Jennifer Piekart AVP HR Business Partner
Angelica Quick Community Banker
Richard St. Pierre SVP Chief Financial Officer
Steven Thomas SVP Senior Commercial Lender
Daniel Tilton SVP Sales and Customer Relations
Nanook Tuefferd AVP Mortgage Operatons Manager
Fawn Wentworth Marketing Officer

SENIOR MANAGEMENT

David Cyr President & CEO
Richard St. Pierre SVP Chief Financial Officer
Dan Tilton SVP Sales & Customer Relations
Steve Thomas SVP Senior Commercial Lender
Vicki Alward SVP Chief Risk Officer
Barbra Cotta SVP Chief Operations Officer
Dawn Palmer SVP Chief Human Resources Officer

CORPORATORS

Richard Anzelc, III Lisa Landry
Richard Anzelc, Jr. Glenn Levesque
Steven Barrows Robert Luce
Davida Barter Sandra MacArthur
John Beaupre Benjamin Marcus
Brian Bernatchez Ted McCarthy
Glenna Blazic Sharon Mountain
Paul Blouin Carolann Ouellette
Aaron Bolster Chad Partridge
Joshua Broder Christopher Perkins
Larry Caldwell Michael Phillips, Jr.
Flint Christie Doreen Poulin
Amedeo Christopher Les Priest
David Cyr Paula Quirion
Donald Davis William Randall*
Gregory Dore Gail Rizzo
Michael Duguay Jacques Santucci
Paul Fortin Howard Sevey
Roger Gifford Warren Shay
Edward Goff Lindsay Skillings
Corey Hight Donald Skillings II
Jennifer Hight Karl Strand
Samuel Hight Charles Stokes
Virginia Howard Claire Theriault-Perkins
Heather Johnson Rhonda Wiles-Rosell
Kimberly Jordan Dana Williams
Lawrence Koob John Witherspoon
Michael Lambke, MD

*Honorary Corporator



Skowhegan.com

800.303.9511

From all of us at
Skowhegan Savings
Thank you
to our
FRONTLINE
HEROES

