

## 2022 Impact Report

As a bank established in 1899 to help our communities and customers and as a Certified B Corporation®, we know that together we can make a difference.

***Please click on the petals of our logo to explore the stories behind the numbers.***



## \$10.5 Million Donated

\$10.5 million has been donated by the Bank and the Foundation over 5 years.



## 82% Participation

82% of team members participated in the annual employee engagement survey.



## More Than 50% Women

More than 50% of our Board members are women.



## \$80,000 to Racial Equity

\$80,000 donated to programs and organizations focused on racial equity.



## \$185,000 for childcare

\$185,000 was contributed by the Bank last year to support childcare programs.



## 92% Feel Someone Cares

92% of our team members feel their manager or someone at work cares about them as a person.



## 10% to Philanthropy

10% of budgeted pre-tax income was given to philanthropy.



## \$2.5 Million Donated

\$2.5 million was donated by the Bank and the Foundation in 2022.



# STRONGER TOGETHER



## Diversity, Equity, and Inclusion (DEI)

At Mascoma Bank, education and introspection around DEI issues form an important part of our culture. In 2022, through a program called CoAlign, all employees were invited to monthly educational sessions conducted by Jermaine Moore of the Mars Hill Group. These workshops focus on individual and team development, inclusive communication, recognizing unconscious bias, and finding ways to connect across identity. Participation in these sessions has been fantastic and we are looking to engage even more team members this year.

**2022** — **60 % OF OUR TEAM**  
ENGAGEMENT

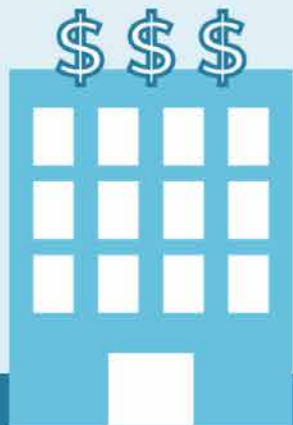


**2023** — **100 % OF OUR TEAM**  
GOAL



## Commercial Lending (not including PPP)

*In 2022, overall commercial loan volume increased substantially from the previous few years.*



## **“I had no idea we’d be as successful as we’ve been,” says Dick Jennings, Managing Director of Mascoma Community Development.**

**That may be true, but during his 26-year career at Mascoma, his instincts have steered the bank in the right direction.**

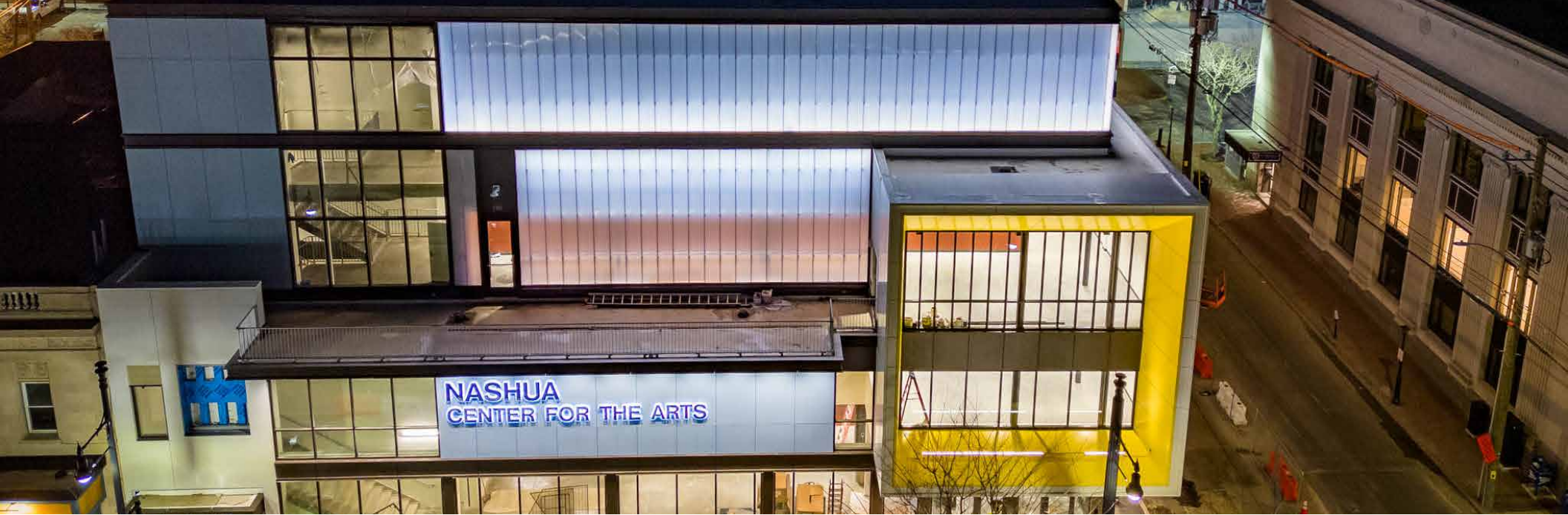
Even before Mascoma Community Development was established, Dick was discovering ways for Mascoma Bank to play key roles in projects that used federal funds to improve local areas. “Back in 2008, I was asked to look at a transaction in Concord, New Hampshire, that was funded by the New Markets Tax Credit (NMTC) program. The developer still needed a lender to do a specialized kind of loan that no bank was willing to do at that time. I looked into it and I learned about the NMTC program, the risks and benefits, and how to safely structure this highly specialized form of debt. I presented my findings to Mascoma Bank’s management team and told them, ‘It won’t be easy, but here’s how we can do this safely.’ They let me move forward and that’s what got us started.”

Over the next several years, Dick became an expert in leveraging NMTCs to finance projects built around efforts to reinvigorate struggling local economies. In 2013, a few of the law firms and tax credit investors he’d been partnering with suggested Mascoma Bank was an ideal candidate to establish a community development entity so it could not only be a lender for these projects but also allocate the New Markets Tax Credits and act as an investor, too. “We became a one-stop shop,” Dick says.

The establishment of Mascoma Community Development ultimately led Dick to create a full-service community development lending group for Mascoma Bank. This lending group not only provides the NMTC leverage debt, but also provides specialized debt for Low Income Housing Tax Credit (LIHTC) projects and Historic Tax Credit (HTC) projects. The LIHTC program generates equity capital for the development and construction of perpetually affordable housing units. The HTC program generates equity capital for the redevelopment and rehabilitation of historic properties.



**For Dick Jennings, one project among dozens stands out as exemplary of the HTC program: the Stevens Mill project in Franklin, New Hampshire.**



One unique aspect of the way Mascoma Community Development (MCD) approaches these projects is how it seeks to generate ancillary community benefits. With every project that MCD directly participates in as a community development entity, MCD not only secures the highly complex equity capital needed for the project to move ahead, it offers a charitable contribution to a local or regional CDFI out of the money it makes on the project, thus expanding the positive community impacts.

“We made the decision to expand the impact of the transactions we were doing and take some of the revenue we earn from each transaction and use it to work with local community development financial institutions to make positive changes in the community.”

For example, the Nashua Center for the Arts, began its life as two dormant commercial buildings in Nashua, New Hampshire which, thanks to Mascoma Community Development, were transformed into a thriving performance space. As part of the deal with Mascoma Community Development, a regional Community Development Financial Institution (CDFI) applied for and received funds to improve access to childcare in downtown Nashua, a prominent need in the community.

For Dick, there is also one project among dozens stands out as exemplary of the Historic Tax Credit (HTC) program: the Stevens Mill project in Franklin, New Hampshire. It's an enormous complex of old, mostly shuttered mill buildings in the downtown area that's been “an albatross on the city.” For decades, the site was too complex with too many problems for any bank to consider lending the funds necessary to fix it. Until Mascoma Bank's community development lending group stepped in.

**One unique aspect of community development projects is the level to which Mascoma Bank is able to contribute to the community above and beyond just being a lender.**

“The Stevens Mill project is going to be the keystone for the success of the city,” Dick says. A key to a thriving city is having housing people can afford and jobs that bring vitality to the region. Mascoma has been involved with many projects that, like this one, focus on providing housing options for people who earn 80% or less of the Area Median Income (AMI). Stevens Mill will provide more than 150 units of affordable and workforce housing that meets this threshold, as well as 31,000 square feet of commercial space for new businesses that will support the creation of new jobs within the community.

The work Mascoma is doing on this project is part of why Dick was awarded the 2022 Business Finance Authority’s Granite State Community Impact Award. “It’s an indication of how important Mascoma Bank is to the Stevens Mill project,” he explains. “And the whole department deserves this recognition.”

Dick’s time at Mascoma Bank is coming to a close as he plans on retiring this year. But the department he built through innovative ideas, extensive research, and a deep understanding of the financial systems at work is poised to thrive for years to come.

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## Home Loans

2022	\$339,430,000
2021	\$395,000,000



## First Mortgages

2022	995
2021	1415



## Refinances

2022	390
2021	715

# Retail Lending

In 2022, as interest rates rose, the volume of homes available on the market remained low, and the total number of loans decreased.

Throughout the year, we continued to focus on our customers' journeys and making home financing a better experience, while also providing funding for home and energy efficiency improvements.



# Using Business as a Force for Good – for Everyone

When Mascoma Bank conducted a 2022 community needs assessment with regional nonprofits, one issue stood out above all the rest—childcare. As anyone raising young children knows, childcare is an ongoing challenge that has reached a crisis point in recent years. The cost of childcare can be prohibitive for families, and even those who can afford the costs struggle to find it. On the flip side, childcare providers report ever-increasing cases of burnout, resulting in staffing shortages that can lead to temporary or permanent closures.

“Childcare is a huge crisis that can’t be ignored, because of its impact on the workforce and on people’s abilities to provide for their families,” says Sarah Fox, Program Manager of the NH Alliance of Early Childhood Coalitions. “We need to look systemically at how we can fortify the childcare sector and what long-term investments need to happen.”



The NH Alliance is one of the groups Mascoma Bank is partnering with in an effort to solve these problems. By investing in a group that actively strives to gain insight into solutions from all levels of the sector, from home providers to specialized classrooms to administrators, the Bank is helping the Alliance discover and share solutions that reach as many people as possible.

“The work we’re doing is bringing together the great ideas that are percolating in pockets across the state into a more cohesive regional solution,” says Fox. “We want to share the work—and scale it up.”

Mascoma Bank’s investment in this idea sharing means these issues can be addressed at the local, state, and regional levels. When different stakeholders come to the table, they gain a multitude of perspectives that can support the whole early childhood system, not just individual childcare situations.



**“Childcare is a huge crisis that can’t be ignored, because of its impact on the workforce and on people’s abilities to provide for their families.”**

In Vermont, Mascoma Bank is working to address childcare issues by investing in Let’s Grow Kids, an organization with the mission of upgrading Vermont’s childcare system.

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According to Let’s Grow Kids, childcare programs in Vermont only have about 12,380 spaces available for infants, toddlers, and preschoolers, but about 21,131 children under the age of five are likely to need some form of childcare. Obviously, this represents quite a deficit.

“Childcare is an essential building block of a thriving inclusive economy,” said Clay Adams, President & CEO of Mascoma Bank. “An investment in childcare is an investment into our future. Mascoma Bank is proud to support Let’s Grow Kids and Vermont’s Child Care Campaign.”

**“The work we’re doing is bringing together the great ideas that are percolating in pockets across the state into a more cohesive regional solution.”**

By working to improve childcare access and affordability, Mascoma Bank is helping ensure not only the quality of care for thousands of children, but their parents’ ability to remain in the labor market. There’s a foundational link between a parent’s ability to find childcare and their ability to work.

A family that’s stressed about childcare is a family that may not be reaching its full potential. By working to alleviate that stress, Mascoma Bank is showing its commitment to helping community members live their best lives—even the youngest ones.



Certified



Corporation

# Impact report

Certified Since June 2017

Every three years, Certified B Corporations go through the extensive B Lab Assessment and verification process. The assessment measures our impact on our workers, communities, customers, and the environment. Our B Corp status helps Mascoma Bank make a positive impact where we operate and to “use business as a force for good.” We now have four employee-run B Corp Impact Teams that focus on finding ways the Bank can improve every day. Here are some of our accomplishments in 2022 and plans for 2023.



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](mailto:Samantha.Pause@MascomaBank.com)

—Samantha Pause, Mascoma Bank Benefit Officer

	Company Score
ENVIRONMENT	8
WORKERS	34
CUSTOMERS	17
COMMUNITY	36
GOVERNANCE	20
OVERALL RATING	115

## COMMUNITY 2022

**We strove to better serve our communities through new initiatives, including:**

Providing \$2.5 million dollars in philanthropy from the bank and the Foundation to support nonprofit organizations throughout our market area.

Collaborating with other New Hampshire based foundations to invest together in the New Hampshire Alliance for Early Childhood Coalitions, who are working to find solutions to the childcare crisis.

## PEOPLE 2022

**Special initiatives and milestones focused on making life better for our customers and team members, including:**

31% of our employees progressed in their job in 2022, either through a promotion or a lateral move that deepened their experience and broadened their knowledge.

Secondary caregiver leave will be increased by two weeks in 2023, giving secondary parents a total of four weeks of leave.

Employee turnover stayed at 15%, the lowest in Bank's history.

Offering over 30 BankOn Checking accounts (certified by the Cities for Financial Empowerment Fund) to ensure that everyone has access to a safe and affordable bank account including people who otherwise might not be eligible for a checking account.

Conducting a DEI audit of the Bank using a third party.

## ENVIRONMENT 2022

**Our Environment B Impact team worked at understanding and reducing our impacts, including:**

Conducting an analysis of the Bank's carbon footprint to get a baseline for our use.

Signing an agreement with Casella Waste Systems to begin a waste reduction project in 2023.

Designing and offering an Employee Climate Advantage Loan that Bank employees can use to purchase environmentally friendly products to help lower their carbon footprint.

## INITIATIVES FOR 2023

Begin a waste reduction project with Casella Waste Systems and start to reduce waste collected at Bank facilities.

Diversity, Equity, and Inclusion training required for all Bank employees covering a wide range of topics throughout the year.

We will be offering a new benefit, the lifestyle spending account that employees can use to put towards their personal wellbeing expenses.

We opened our **Portland, Maine** office in the summer of 2018 and now have an **expansive team** in place, ready to support the needs of **Business and Personal banking** customers, including **Private Banking** and complex multi-party projects through **Mascoma Community Development**.



David Carter, Private Banking Relationship Manager | Tad Atwell, Chief Operating Officer, Mascoma Community Development | Garret White, Real Estate Management Analyst | Amberlynn Esperanza, Commercial Lending Development Officer | Andrew Cook, Commercial Loan Officer | Kaleigh Deering, Mortgage Loan Officer | Ira Camp, Mortgage Loan Officer | Todd Bachelder, Commercial Banker



# \$551,000,000

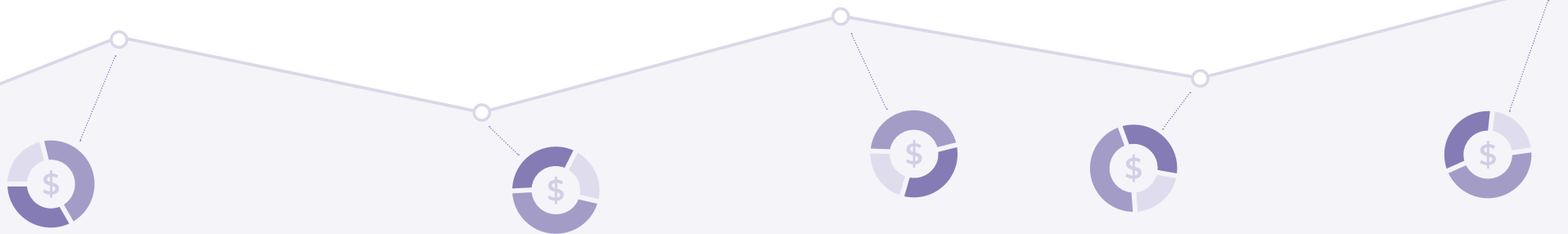
## Assets Under Management at MWM and MFA

**Zuzana Brochu joined the Mascoma Team at the end of 2022, stepping into the role of President of Mascoma Wealth Management. In her role, she also oversees Mascoma Financial Advisors, the Bank's brokerage division, and Mascoma Bank's Private Banking department.**

As one of the few financial services companies in New England that is also a Certified B Corporation, Mascoma has been committed to providing investment opportunities and guidance for a broad spectrum of clients. Mascoma has had many years of success supporting clients with smaller investment portfolios and helping them with overall financial guidance. Moving forward, Mascoma Wealth Management is working to develop into an even stronger team that can better serve a broad range of clients.

"We are refining our investment process and making financial planning more prominent in our work with clients," says Brochu. Mascoma Wealth Management is putting more attention on its ability to deliver sophisticated financial planning solutions for people with complex needs and diverse portfolios, and augments this with the capabilities of the Private Banking department.

"Our goal is to be our clients' trusted advisors, helping them well beyond just managing their portfolios." As a truly comprehensive wealth management provider, Mascoma Wealth Management begins by understanding their clients' overall financial situation and helping them chart their financial future.



**Mascoma Wealth Management is putting more attention on its ability to deliver sophisticated financial planning solutions for people with complex needs and diverse portfolios.**

"Financial planning is where we start," says Brochu. "Only once we have developed a financial blueprint for a client do we begin to structure their portfolio, and we do so in complete alignment with and in support of their goals," says Brochu. "In planning for your future, what matters most are your own personal benchmarks, and so we are going to be even more focused on creating a portfolio based on you and your goals, as set out in your personalized financial plan."

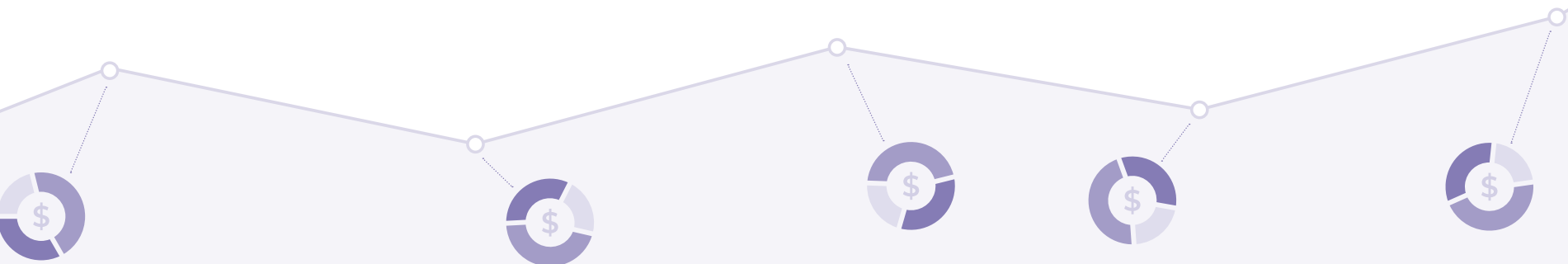
There is a tremendous amount of talent and expertise on the team with respect to providing financial planning and guidance, investment management, private banking, and all the other facets of a comprehensive wealth management offering.

"We are becoming a truly unified team, where we all understand and leverage each other's strengths and everyone works together for the benefit of our clients," says Brochu. As a result, every team member at Mascoma Wealth Management knows they can rely on each other. It is this focus on delivering sophisticated wealth management solutions in a true team environment that builds the foundation for Mascoma Wealth Management's strategy.

Couple this with the purpose-driven mission of the organization and the team's commitment to always doing what's right, and you have a very compelling story. "I know that we are poised for success," concludes Brochu.



**"In planning for your future, what matters most are your own personal benchmarks..."**





As the only **Certified B Corp bank** serving Northern and Central Vermont, we now have **three retail offices** in the **Burlington area** and a complete team of banking specialists to better serve **neighbors, businesses, nonprofits,** and the **community.**

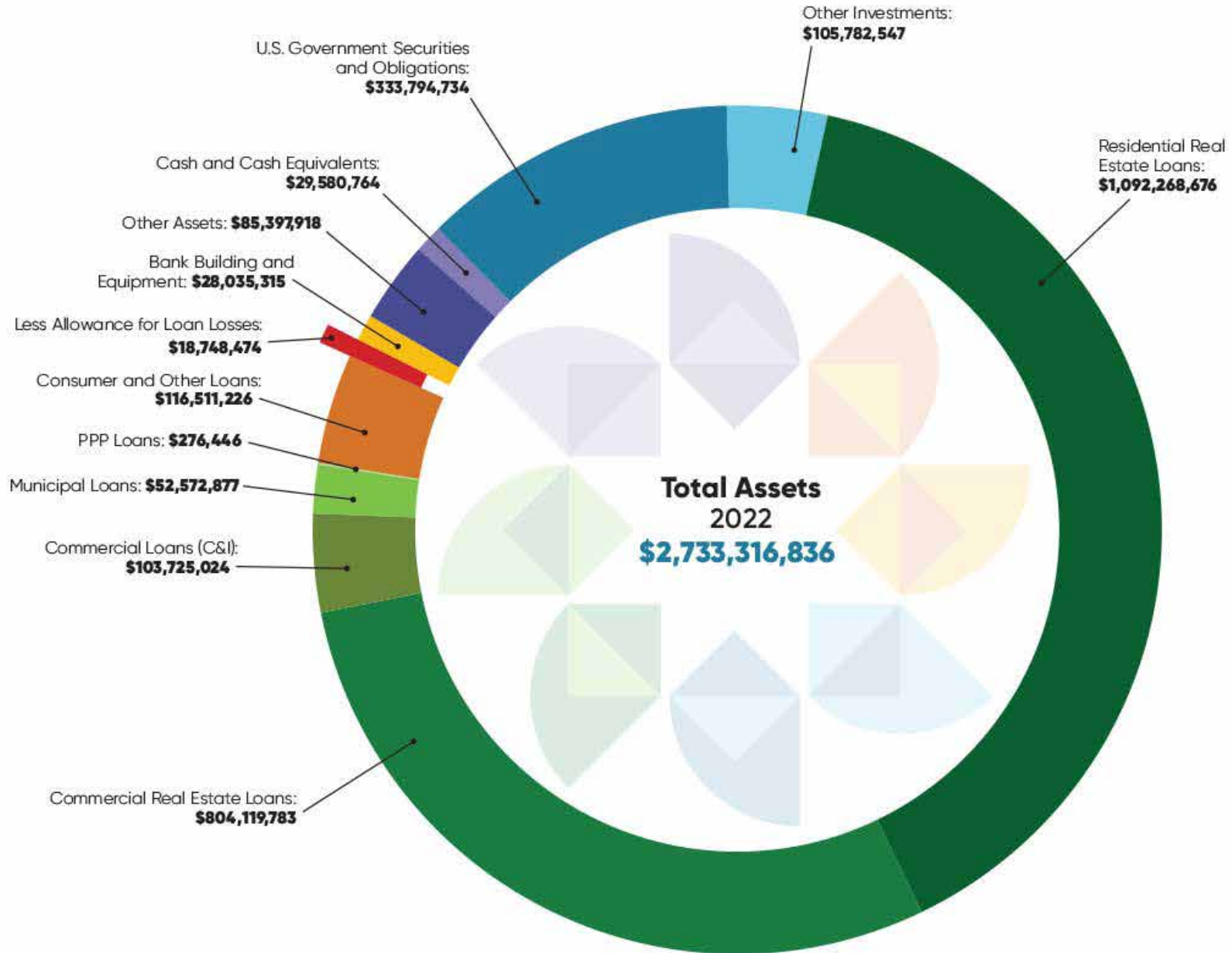


# BURLINGTON

Terry Johansson, Commercial Lender | Peter Jones, Commercial Lender & Market Leader | Karen Bryce, Private Banking Administrator | Cailin McMurdo-Minnich, Commercial Loan Officer | Christie Mitchell, Mortgage Loan Officer | Bethany Dubuque, Private Banking Relationship Manager | Pete Nolasco, Mortgage Loan Officer | Joy Hastings, Area Manager | Jeffrey Nowell, Wealth Management Senior Portfolio Manager | Scott Anderson, Pine Street Branch Manager | Amanda Caringi, Shelburne Road Branch Manager | Joplin Wallace, Wealth Administrator | Bill Goldwyn, Community Relationship Manager | Wyatt Shaw, Old North End Branch Manager



# FY 2022 FINANCIALS





## FY 2022 FINANCIALS

	12-31-2021	12-31-2022
<b>ASSETS</b>		
Cash and Cash Equivalents	16,721,465	29,580,764
U.S. Government Securities and Obligations	310,231,220	333,794,734
Other Investments	349,139,368	105,782,547
Real Estate Mortgage Loans	1,642,455,735	1,896,388,459
Consumer and Other Loans	246,463,755	273,085,573
<b>TOTAL LOANS</b>	<b>1,888,919,489</b>	<b>2,169,474,032</b>
Less: Allowance for Loan Losses	(18,441,255)	(18,748,474)
<b>NET LOANS</b>	<b>1,870,478,234</b>	<b>2,150,725,559</b>
Bank Building and Equipment	29,442,281	28,035,315
Other Assets	68,774,165	85,397,918
<b>TOTAL ASSETS</b>	<b>\$2,644,786,73</b>	<b>\$2,733,316,836</b>
<b>LIABILITIES AND CAPITAL</b>		
Demand and NOW Deposits	932,283,142	911,770,556
Savings, Time and Other Deposits	1,406,360,830	1,456,851,631
<b>TOTAL DEPOSITS</b>	<b>2,338,643,972</b>	<b>2,368,622,187</b>
Sweep Accounts	24,029,120	28,862,740
Subordinated Debt	24,639,482	24,733,532
Borrowings	30,977,320	106,688,781
<b>TOTAL BORROWINGS</b>	<b>79,645,922</b>	<b>160,285,053</b>
Other Liabilities	24,188,917	26,090,106
<b>TOTAL LIABILITIES</b>	<b>2,442,478,811</b>	<b>2,554,997,346</b>
Retained Earnings/Surplus Capital	202,414,958	220,171,401
Unrealized Gain/(Loss) on Investments/Pension, Net	(107,035)	(41,851,910)
<b>TOTAL CAPITAL</b>	<b>202,307,923</b>	<b>178,319,491</b>
<b>TOTAL LIABILITIES AND CAPITAL FUNDS</b>	<b>\$2,644,786,734</b>	<b>\$2,733,316,836</b>

	12 months ending 12-31-2021	12 months ending 12-31-2022
<b>INCOME</b>		
Interest Income on Loans & Investments	79,492,201	84,828,452
Interest Expense on Deposits & Borrowings	5,975,734	8,195,040
<b>Net Interest Income</b>	<b>73,516,468</b>	<b>76,633,412</b>
Provision for Loan Losses	455,420	273,291
<b>Net Income After Provision for Loan Losses</b>	<b>73,061,047</b>	<b>76,360,120</b>
Other Non-interest Income (misc fees, overdrafts, service charges)	17,674,162	15,800,509
Gains / (Losses) on Sales of Securities	18,666	0
Other Non-interest Expenses (personnel, occupancy, other overhead)	68,944,697	71,532,078
<b>Income Before Income Taxes</b>	<b>21,809,179</b>	<b>20,628,551</b>
Applicable Income Taxes	1,568,557	2,872,108
<b>NET INCOME</b>	<b>\$20,240,621</b>	<b>\$17,756,444</b>

# Corporators

<b>Clayton Adams</b> Hanover, NH	<b>Doug Cooley</b> Windsor, VT	<b>Katharyn Hoke</b> Elkins, NH	<b>Barry McCabe</b> West Hartford, VT	<b>Gwen Pokalo</b> Winooski, VT
<b>Mohamed Basha</b> South Burlington, VT	<b>Carol Cunningham</b> Woodstock, VT	<b>Joy Hutchins</b> Plainfield, NH	<b>Daniel McGee</b> Lebanon, NH	<b>Rebecca Powell</b> Enfield, NH
<b>Bruce Bergeron</b> Lebanon, NH	<b>James Damren</b> West Lebanon, NH	<b>Michael Jager</b> Burlington, VT	<b>Virginia McGrody</b> Enfield, NH	<b>Susan Reeves</b> New London, NH
<b>Janette Bombardier</b> Colchester, VT	<b>Lang Durfee</b> Bethel, VT	<b>Daniel Jantzen</b> Kennebunkport, ME	<b>Robert Meyers</b> Woodstock, VT	<b>Catherine Richmond</b> Norwich, VT
<b>Jay Boucher</b> Enfield, NH	<b>Patti Friedman</b> Lebanon, NH	<b>Meredith Johnson</b> Lebanon, NH	<b>Katherine Milligan</b> Thetford, VT	<b>Victor St. Pierre</b> Charlestown, NH
<b>James Brady</b> Portland, ME	<b>Joan Goldstein</b> Shelburne, VT	<b>Edward Kerrigan</b> Hanover, NH	<b>Susan Mooney</b> Grantham, NH	<b>Susan Stuebner</b> New London, NH
<b>Timothy Briglin</b> Thetford Center, VT	<b>Deirdre Goodrich</b> Norwich, VT	<b>James Kerrigan</b> Burlington, VT	<b>John Moses</b> Easton, NH	<b>Tami Weeks</b> Windsor, VT
<b>Andrew Butcher</b> Portland, ME	<b>Gary Gray</b> Westmoreland, NH	<b>Adam Kossayda</b> Harrisville, NH	<b>Robert Moses</b> Lebanon, NH	<b>Jason Whitney</b> Quechee, VT
<b>Michael Cahoon</b> Norwich, VT	<b>Julia Griffin</b> Hanover, NH	<b>Mary Ann Kristiansen</b> Roxbury, NH	<b>Gary Neil</b> Quechee, VT	<b>Mundy Wilson Piper</b> Etna, NH
<b>Gretchen Cherington</b> Portland, ME	<b>Lisa Groeneveld</b> South Burlington, VT	<b>Phil Lapp</b> Sharon, VT	<b>Sonia O'Banion</b> Wilder, VT	<b>Todd Winslow</b> Wilder, VT
<b>Sarah Christie</b> Newbury, NH	<b>Rebecca Hamilton</b> Gilsom, NH	<b>David Laurin</b> White River Junction, VT	<b>Hildegard Ojibway</b> White River Junction, VT	
<b>Jeff Chu</b> Norwich, VT	<b>George Hansel</b> Keene, NH	<b>Frank Leibly III</b> Taftsville, VT	<b>Michelle Ollie</b> White River Junction, VT	
<b>Stuart Close</b> Norwich, VT	<b>Judy Hayward</b> South Royalton, VT	<b>Jenny Levy</b> Hanover, NH	<b>Patricia O'Neill</b> Windsor, VT	
<b>Karen Colberg</b> Lyme, NH	<b>Erik Hoekstra</b> Burlington, VT	<b>Joseph Major</b> White River Junction, VT	<b>Merritt Patridge</b> Lyme, NH	

# Senior Leadership



**Clayton Adams**  
President & CEO



**Zuzana Brochu**  
President of Wealth  
Management



**Anne Chapin**  
Chief Risk Officer



**Liz Eames**  
Chief People Officer



**Kenneth Howe**  
Chief Commercial  
Banking Officer



**Richard Jennings**  
Managing Director for Mascoma  
Community Development



**James Larrick**  
Chief Financial Officer and  
Treasurer



**Sarah Martel**  
Director of Administration  
and Assistant to the CEO



**Samantha Pause**  
Chief Marketing and  
Product Officer



**Raphael Rezek**  
Chief Technology Officer



**Kenneth Wells**  
Chief Retail Lending Officer



**Scott Young**  
Chief Retail Banking Officer

# Board of Directors



**CHAIR**  
**Deirdre Goodrich**  
Norwich, VT



**VICE CHAIR**  
**Catherine Richmond**  
Norwich, VT



**SECRETARY**  
**Joan Goldstein**  
Shelburne, VT



**Clayton Adams**  
Hanover, NH



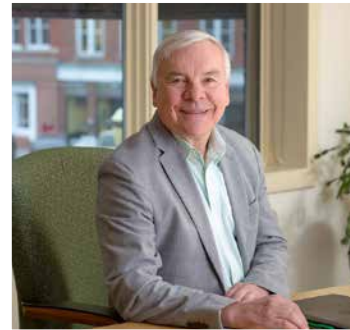
**Timothy Briglin**  
Thetford Center, VT



**Michael Cahoon**  
Norwich, VT



**Gretchen Cherington**  
Portland, ME



**Gary Gray**  
Westmoreland, NH



**Lisa Groeneveld**  
South Burlington, VT



**Frank Leibly III**  
Taftsville, VT



**Daniel McGee**  
Lebanon, NH



**Susan Mooney**  
Grantham, NH



**Merritt Patridge**  
Lyme, NH