

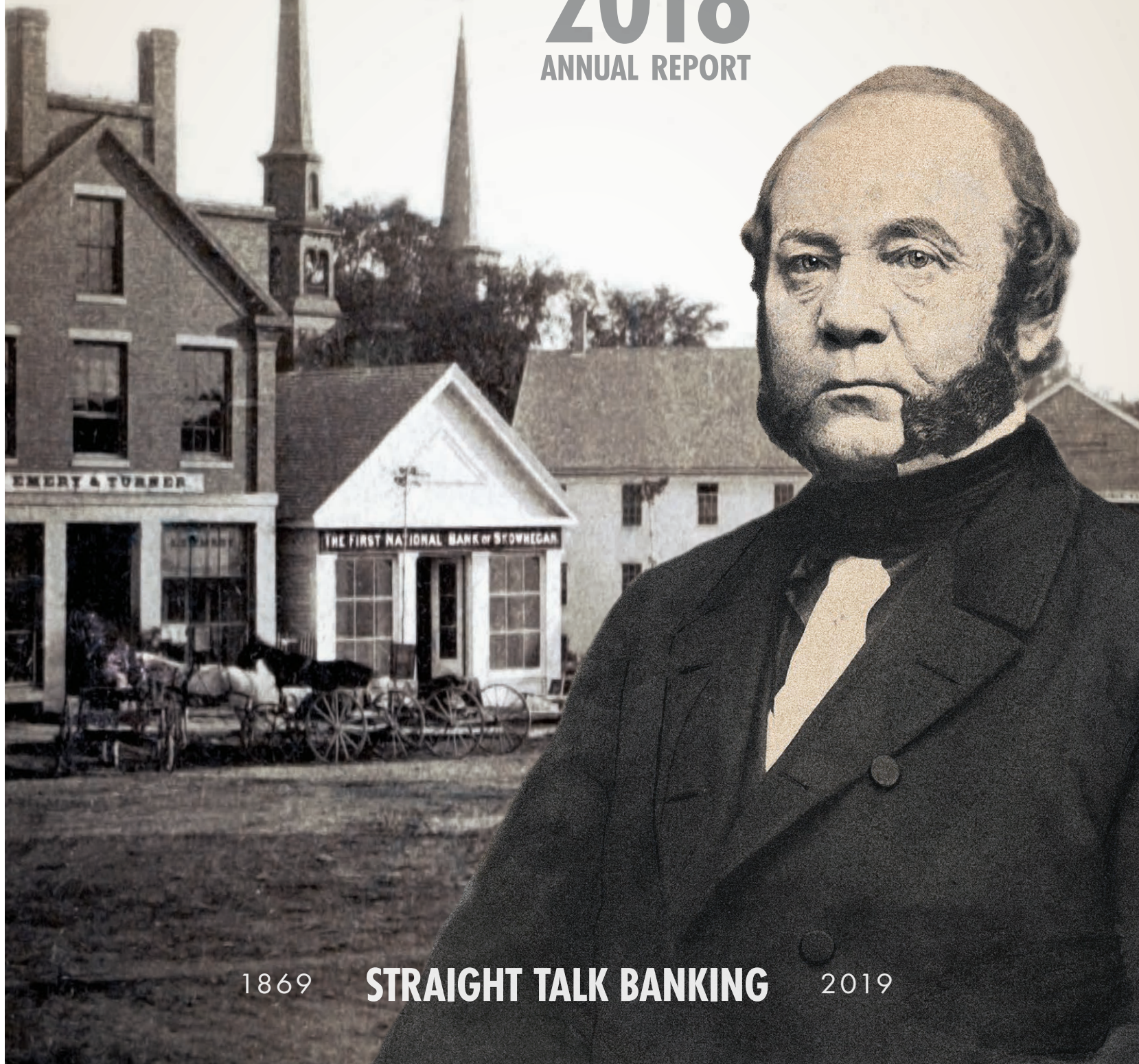


Skowhegan  
Savings



# 2018

ANNUAL REPORT



1869

**STRAIGHT TALK BANKING**

2019

# LETTER FROM THE PRESIDENT / CEO



150 years ago, former Governor and Skowhegan native, Abner Coburn led a group of local business leaders in establishing The Skowhegan Savings Bank. They believed that providing a safe, local depository for people's savings, and access to loans to buy and build houses would help strengthen the community and make it prosper. 2018 marked Skowhegan Savings' 149th year of investing in the people and businesses in our communities. These investments help grow our local economies, create jobs and help our neighbors achieve their dreams. For 149 years, Skowhegan Savings Bank has been a mutual bank that, in lieu of stockholders, has paid dividends to our communities by supporting economic and community development. In 2018, our Skowhegan Savings Charitable Foundation exceeded \$2 million in assets and, in addition to being recognized as a leader in our support of career readiness and financial literacy programs, we developed an innovative venture capital fund to invest in local businesses.

Since 1869 the bank has achieved consistent financial returns that have led to growth in assets to nearly \$600 million and a capital base of \$87 million. This past year was no exception. Net operating income of \$5.1 million was an all time high as was our \$453 million customer deposit base. The bank invested over \$87 million in loans to businesses and individuals during the year, however, due to a challenging interest rate environment, the bank reduced its investment portfolio resulting in a slight decline in total assets for the year.

As we enter our 150th year of serving the communities of central and western Maine, the bank is recommitting itself to the principles that have served it so well over the last century and a half. We call it Straight Talk Banking and the experience of 'Banking Skowhegan'. When you Bank Skowhegan you can expect to receive genuine service from someone who is committed to providing the right banking service to meet your needs. We believe that in spite of the technological advances of the past 150 years, the value of a personal banking relationship with someone of integrity, who genuinely cares about your well-being will assure the success of our bank, our customers and our communities for the next 150 years.

Our 150th year does bring changes to the bank. In 1979, I accepted a job at a small bank which I thought would be a short stint as a banker to support my skiing habit! Little did I know that 40 years later I would be announcing my retirement from a career that has given me the privilege and honor of working alongside such competent, dedicated people serving a mission of helping our communities prosper. Throughout my career I have said it is the people within the bank that make the bank, and I have had the privilege of working alongside some of the best!

The Board has named David Cyr President of the Bank. Dave will assume the role of CEO at the end of 2019. Having worked with Dave over the past 15 years, I am confident that he is the perfect person to lead the bank into our next 150 years!

Other notable retirements from the bank during our 150th year are Karen Hart, who has dedicated the last 37 years to our customers and our communities, and Warren Shay who has served on the board of the bank for the past 18 years.

All of us at Skowhegan Savings thank you for the privilege to serve you and for helping us meet our mission of making our communities a better place to live and work.

JOHN C. WITHERSPOON, PRESIDENT AND CEO



Skowhegan  
Savings



## FROM THE BEGINNING...

Our bank was founded a century and a half ago by a group of hard-working Mainers with an ambitious vision for the future and a genuine interest in seeing the region prosper. As the mighty waters of the Kennebec River and sturdy white pine forests beckoned with the promise of economic opportunity, these men and women realized that through hard work, frugality, and sturdiness of character, prosperity would be achieved.

Times were hard in those early days. It wasn't uncommon for people to work from sunup to sundown, six to seven days a week. The bank gave the people of the Kennebec Valley a safe place to keep their hard-earned money and secure credit. It also encouraged them to save for the future and pursue bigger dreams.

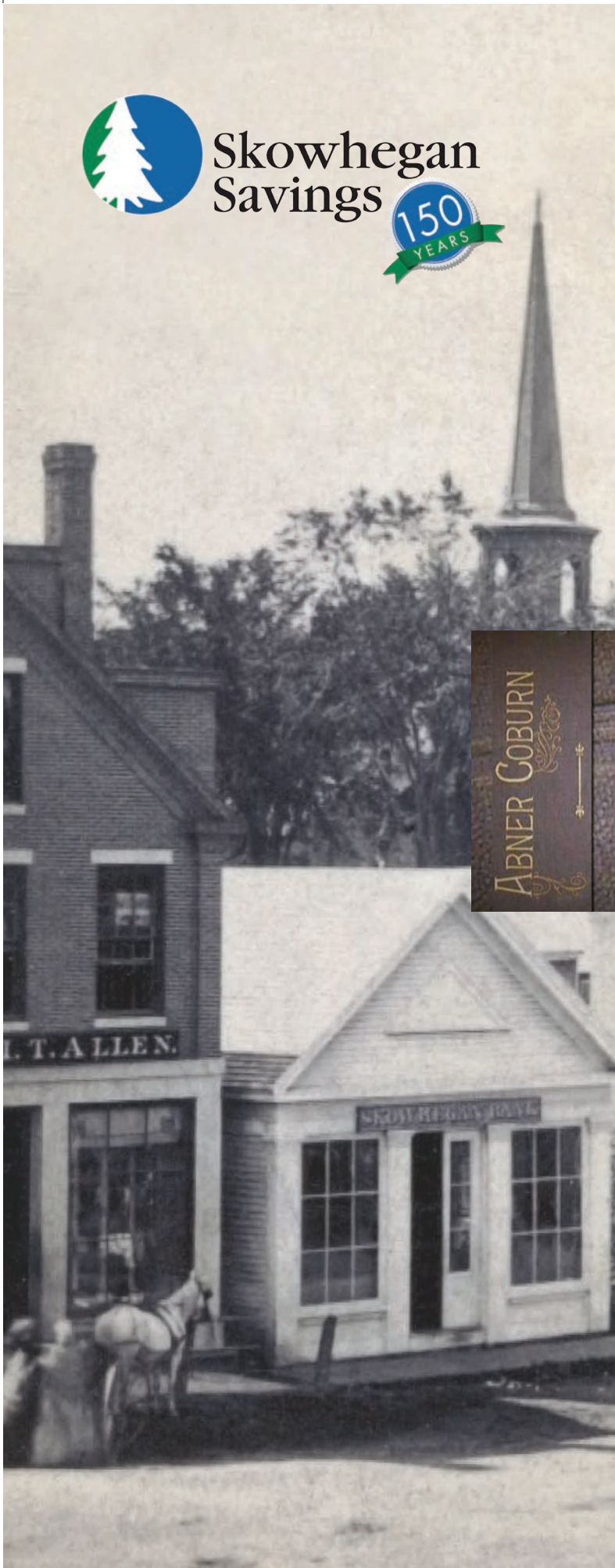


**Abner Coburn**, a founding father of Skowhegan Savings and Maine's 30th Governor, was one of the Kennebec Valley's early success stories. Coburn was a struggling farmer and logger who earned extra money teaching school in the winter. From these meager beginnings, he and his brother Philander went on to

establish A. and P. Coburn, one of the most prosperous lumber and land operations in New England. Through determination and progressive thinking, Coburn and those that followed in his footsteps established a legacy that defines our bank and the regions it serves.

Though things have changed a bit since the days when lumbermen ran logs down the river, Skowhegan Savings still stands for service, integrity and commitment to community - the same values that helped pioneers like Abner Coburn attain success and the same values that continue to create opportunity for the Kennebec Valley and its people. Like the Kennebec River, Skowhegan Savings has stayed true to its course.

Skowhegan Savings has helped many generations of Maine families achieve their dreams, and our dedication to building strong communities remains steadfast.





**1869 OCTOBER**  
Skowhegan Savings Bank first came into existence as an independent, mutually owned bank by founder Abner Coburn in 1869. The bank's primary mission was to meet the needs of the smaller savers and mortgage borrowers in the area.



**1910**  
The physical separation of the two banks took place when the First National Bank of Skowhegan moved next door.

STATEMENT of the STANDING and CONDITION of THE  
**Skowhegan Savings Bank.**  
RECORDED AS OF MARCH 28, 1908.  
JESSE B. BARBER, President. EDWARD J. FINE, Treasurer.

ASSETS		LIABILITIES	
Real Estate	\$100,000.00	Capital	\$100,000.00
Loans	50,000.00	Reserves	50,000.00
Deposits	200,000.00	Other	0.00
Other	10,000.00	Total	200,000.00
Total	360,000.00	Total	200,000.00



**1929**  
As the bank continued to grow, complete renovations of the Water Street branch were undertaken until 1960 when a property on Elm Street in Skowhegan was purchased to construct the bank's new main office.



**1948 NOVEMBER**  
Skowhegan native Margaret Chase Smith becomes the first woman to be elected to the United States Senate.

THE KENNEBEC RIVER



**1982**  
A second branch in Skowhegan was built across the river on Waterville Road. In 1984, the main branch on Elm Street was quickly growing and a major expansion was started to double the size of the building.



**1983**  
Barry Norling's weathervane sculpture depicting a 'logger' arrives at the main branch. The 'logger' still resides atop of the building on Elm Street in Skowhegan today.



**1986**  
Skowhegan Savings was touted as 'Santa Claus' in the press for giving approximately \$815,000, representing bonus checks, to all savings depositors in December of 1986.



**1987**  
The Pittsfield branch is opened, making it the 6th branch of Skowhegan Savings, and a network of Automated Teller Machines (ATMs) were introduced to provide access to funds worldwide.



**1994**  
Elton 'Mickey' Powers retires as bank president after 31 years with the bank; William Randall steps up as bank president. The Operations Center is constructed on the corner of Madison Avenue and Elm Street, Skowhegan in what was the former Knowles & Dressel building.



**2007**  
John Witherspoon is named the 12th president of Skowhegan Savings Bank becoming the first president appointed not having previously worked at the bank.

Best Places to Work in ME

**2009**  
The bank celebrates its 140th Anniversary and is recognized by Best Places to Work as #1 Best Bank to work at in the State of Maine in a category of employers with fewer than 250 employees. A partnership with Jobs for Maine Graduates begins to help support programs in local schools with skills training for students to enter the workforce.



**2011**  
The Skowhegan Charitable Foundation is formally established to give back to the communities in which the bank resides, with over a half a million dollars already being contributed from the bank to the foundation. The bank continued to invest in technology by adding mobile banking and eliminating automated customer service lines by adding a live call center.



**2012**  
2012 marked the beginning of a new concept of 'open dialogue banking' within the bank as it broke ground on the new Augusta branch. Instead of a traditional teller line, the branch would open in 2013 with standing kiosks for customers to do their banking. This open floor communication layout supports the bank's new tagline, 'Straight Talk. Fair Deals'.



**2013**  
Skowhegan Savings acquires 5 branches in Western Maine from Camden National: Farmington, Kingfield, Phillips, Stratton and Rangeley. The bank is awarded the national honor of the 'Corporate Above and Beyond' by Jobs for America's Graduates.

THE KENNEBEC RIVER



**1961**

The new office of Skowhegan Savings on Elm Street in Skowhegan was opened to the public. The updated structure boasted modern features including air conditioning and automatic doors.



**1969**

Skowhegan Savings Celebrates 100th Anniversary and enters the computer age.



**1973**

The Town of Skowhegan celebrates its 150th birthday.



**1974**

The bank began expanding its service area building branches in Dexter and Bingham. Two years later, the Madison branch was built. When the Madison branch opened in 1977, newspapers reported that about 1,000 people were in attendance.



**1978**

Skowhegan Savings doubles assets to \$68 million.

THE KENNEBEC RIVER



**1998 MARCH**

Skowhegan Savings acquires 6 branches from Key Bank in Belgrade, Corinna, Dexter, Fairfield, Livermore Falls and Norridgewock bringing the total of branches for the bank to 11.



**2000**

The bank's first website was completed in October and Internet banking was born, allowing customers to bank on-line 24 hours a day.



**2001**

Renovations were made to the Bingham branch and a new branch was built at 92 Main Street in Fairfield.



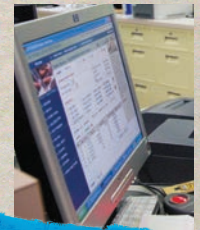
**2002**

President William Randall retires after 35 years with the bank. In his honor, the bank created a William S. Randall Scholarship Fund in recognition of his personal commitment to other scholarship and educational programs.



**2003 JANUARY**

Virginia F. Howard is appointed the first female president of Skowhegan Savings.



**2006**

Bank converts to new state of the art computer capabilities improving online banking.



**2014**

Skowhegan Savings adds mobile deposit to its growing list of mobile and online banking features available to customers. Enhancements are continually being made to improve online loan applications to allow consumers to apply for a home loan online at their convenience.



**2016**

Roger Gifford retired after 26 years of serving on the bank board of directors, 17 years as chairman.



**2017**

Skowhegan Savings is named #1 Best of the Best in Banking by the Morning Sentinel's Readers' Choice Awards. Sebasticook Valley Chamber names the bank their 'Business of the Year.'

**BOARD CHAIR HISTORY:**

G. William Yeaton	1971-1977
Harold E. Fall	1977-1987
Cecil C. Cross	1987-1996
Dale S. Watson	1996-2000
Patricia A. Dickey	2000-2004
Roger R. Gifford	2004-2017
Richard Anzels, III	2017-Current

**BANK PRESIDENT HISTORY:**

Abner Coburn	1869-1885
James B. Dascomb	1885-1901
Albert H. Weston	1901-1907
Edward P. Page	1907-1908
S.J. Walton	1908-1918
Blin W. Page	1918-1964
Gerald C. Marble	1964-1972
Harold E. Fall	1972-1977
Elton D. Powers	1977-1994
William S. Randall	1995-2002
Virginia F. Howard	2003-2007
John Witherspoon	2007-Current

...to where we are now.

**BANK**  
SKOWHEGAN



## What does it mean to 'Bank Skowhegan'?

People sometimes think Skowhegan Savings is small.

That's ok with us.

It allows us to roll up our sleeves and get down to work creating lasting personalized relationships with our customers while we help you meet your financial goals. No run around, no hidden fees, no complexity. When you bank with Skowhegan Savings you get a banking relationship that benefits everyone. Helping your business grow your way, helping you build a life your way.

Why do we believe in banking this way? Maybe it's where we're from. Maybe it's just the right way to do business. Either way, it's straight talk banking. That's what you get from us when you 'Bank Skowhegan'.

AUGUSTA  
BINGHAM  
DEXTER  
FAIRFIELD  
FARMINGTON  
JACKMAN  
KINGFIELD  
MADISON  
NORRIDGEWOCK  
RANGELEY  
SKOWHEGAN

STATEMENT OF THE STANDING AND CONDITION OF THE  
SKOWHEGAN SAVINGS BANK

**CONSOLIDATED SUMMARY BALANCE SHEETS**

YEARS ENDED DECEMBER 31, 2018 AND 2017

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
Cash & Cash Equivalents	17,377,237	16,541,758
Investment Securities	83,834,968	90,111,293
Net Loans	462,746,703	460,476,689
Other Assets	29,241,038	29,938,494
<b>TOTAL ASSETS</b>	<b>\$593,199,946</b>	<b>\$597,068,234</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>LIABILITIES</b>		
Customer Deposits	453,216,402	451,553,522
Brokered Deposits	34,683,000	10,000,000
Other Liabilities	5,958,170	5,348,073
FHLB Borrowings	12,088,000	45,921,000
Total Liabilities	505,945,572	512,822,595
<b>CAPITAL</b>		
Retained Earnings	84,741,301	80,180,578
Accumulated Other Comprehensive Income	2,513,073	4,065,061
Total Retained Earnings	87,254,374	84,245,639
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>\$ 593,199,946</b>	<b>\$597,068,234</b>

**CONSOLIDATED SUMMARY STATEMENTS OF INCOME**

YEARS ENDED DECEMBER 31, 2018 AND 2017

<b>INTEREST INCOME/EXPENSE</b>	<b>2018</b>	<b>2017</b>
Interest and Dividend Income	22,611,445	21,412,402
Interest Expense	2,694,994	1,743,567
Net Interest Income	19,916,451	19,668,835
Provision for Loan Losses	150,000	225,001
Net Interest Income After Provision for Loan Losses	19,766,451	19,443,834
<b>NON-INTEREST INCOME/EXPENSE</b>		
Non-Interest Income	1,900,572	1,900,225
Non-Interest Expense	16,555,754	16,506,013
Income Before Income Taxes and Security Gains	5,111,269	4,838,046
Net Securities Gain (Loss)	267,195	449,676
Income Tax (Benefit) Expense	817,741	1,284,665
<b>NET INCOME</b>	<b>\$ 4,560,723</b>	<b>\$4,003,057</b>

## BOARD OF DIRECTORS

RICHARD ANZELC, CHAIRMAN  
JOSHUA BRODER      WARREN SHAY  
CAROLANN OUELLETTE      CLAIRE THERIAULT-PERKINS  
HOWARD SEVEY      JOHN WITHERSPOON

## OFFICERS

JAMES ALBERICO      AVP AUDIT AND COMPLIANCE MANAGER  
LYNN ANDREWS      AVP MORTGAGE LOAN UNDERWRITER  
JACOB BENNER      NETWORK ADMINISTRATOR  
VICKI BOSWORTH      AVP DEPOSIT SERVICES MANAGER  
KALYN BLACK      CRM MANAGER  
TRACY DEAN      VP RETAIL CUSTOMER RELATIONS  
KRISTEN DUBORD      COMMUNITY BANKER  
JACK DUCHARME      VP REGIONAL COMMUNITY BANKER, SOMERSET COUNTY  
JESSICA EVERETT      COMMUNITY BANKER  
CHRISTOPHER FARMER      VP REGIONAL COMMUNITY BANKER, FRANKLIN COUNTY  
ALBERT FERLAND      AVP FACILITIES MANAGER  
BRIAN FITZPATRICK      INDIRECT LOAN BUYER  
DONNA FORTIN      VP DEPOSIT RELATIONS  
KIMBERLY FRIEND      AVP CREDIT OFFICER  
WILLIAM HALLIDAY      AVP LOAN SERVICING MANAGER  
KAREN HART      AVP COMMUNITY BANKER  
RENEE HAWTHORNE      COMMUNITY BANKER  
FELICIA HUFF      AVP IT MANAGER  
JOHN KIMBALL      VP INDIRECT LENDING MANAGER  
JESSICA LAPLANT      AVP CONTROLLER  
MEGHAN LOUBIER      COMMERCIAL LOAN OFFICER  
SHELLY LOWELL      COMMUNITY BANKER  
KURT MAYNARD      VP COMMERCIAL LOAN OFFICER  
BRANDI MEISNER      COMMUNITY BANKER  
TIM MICHALAK      VP COMMERCIAL LOAN OFFICER  
DONNA MILLS-STEVENS      VP REGIONAL COMMUNITY BANKER, KENNEBEC COUNTY  
PAULA NELSON      AVP SPECIAL ASSETS MANAGER  
JENNIFER PIEKART      HR GENERALIST  
ANGELICA QUICK      COMMUNITY BANKER  
TOBY SPENCER      NETWORK ADMINISTRATOR  
NANOOK TUEFFERD      AVP MORTGAGE OPERATIONS MANAGER  
CHARLIE WAKELING      LEARNING AND DEVELOPMENT COORDINATOR  
FAWN WENTWORTH      MARKETING OFFICER

## SENIOR MANAGEMENT

JOHN WITHERSPOON      PRESIDENT & CEO  
DAVID CYR      EXECUTIVE VICE PRESIDENT  
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  
BARBARA COTTA      SVP CHIEF OPERATIONS OFFICER  
BARRY MARTIN      SVP CHIEF HUMAN RESOURCES OFFICER

## CORPORATORS

CALVIN AMES      MICHAEL LAMBKE, MD  
RICHARD ANZELC, III      GLENN LEVESQUE  
RICHARD ANZELC, JR.      ROBERT LUCE  
JAMES AUSTIN      C. CHARLES LUMBERT  
STEVEN BARROWS      SANDRA MACARTHUR  
DAVIDA BARTER      THOMAS MARTIN, JR.  
JOHN BEAUPRE      TED MCCARTHY  
LORI BLAISDELL      SHARON MOUNTAIN  
GLENNA BLAZIC      GLENN NICHOLS  
PAUL BLOUIN      CHARLES O'BRIEN  
AARON BOLSTER      CAROLANN OUELLETTE  
JOSHUA BRODER      CHAD PARTRIDGE  
KEVIN BROWNE      CHRISTOPHER PERKINS  
LARRY CALDWELL      MICHAEL PHILLIPS, JR.  
FLINT CHRISTIE      DOREEN POULIN  
AMEDEO CHRISTOPHER      ROGER POULIN\*  
DAVID CYR      ELTON POWERS\*  
DONALD DAVIS      LES PRIEST  
GREGORY DORE      PAULA QUIRION  
TIMOTHY DOW      WILLIAM RANDALL\*  
MICHAEL DUGUAY      GAIL RIZZO  
PAUL FORTIN      HOWARD SEVEY  
GREGORY GIBERSON      WARREN SHAY  
ROGER GIFFORD      LINDSAY SKILLINGS  
EDWARD GOFF      DONALD SKILLINGS, II  
STEPHEN GRAY      CLAIRE THERIAULT-PERKINS  
COREY HIGHT      KEVIN VIOLETTE  
JENNIFER HIGHT      RHONDA WILES-ROSELL  
SAMUEL HIGHT      RICHARD WILLETT  
VIRGINIA HOWARD      DANA WILLIAMS  
HEATHER JOHNSON      JOHN WITHERSPOON  
KIMBERLY JORDAN  
LAWRENCE KOOB

\*HONORARY CORPORATOR



STRAIGHT TALK BANKING

Skowhegan.com

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