



**Enclosed please find MountainOne's 2019 Annual Report.** This Report contains strategic and financial information specific to MountainOne's performance during its 2019 fiscal year.

It is important to note that the 2019 Annual Report was published as our industry, economy and communities segued into the midst of the challenges posed by the COVID-19 Pandemic. There are no references made to the Pandemic within this piece as MountainOne's Annual Report is written as a look back over the past fiscal year.

Strategic and financial information specific to MountainOne's performance during the COVID-19 Pandemic crisis and the remainder of its 2020 fiscal year will be found in the 2020 Annual Report, set to publish in April 2021.

[mountainone.com](https://www.mountainone.com)

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# 2019 ANNUAL REPORT



MountainOne®

BANK | INSURANCE | INVESTMENTS



## Dear MountainOne Community:

I am pleased to report on a very successful year at MountainOne. Financially, our earnings were at a historic high, our balance sheet is strong, our performance outpaced many of our peers, and we have positioned ourselves to "Preserve the Quality We Have Created."

A major strategic initiative last year was the launch of our new branding campaign. It was very important for us to be able to differentiate ourselves from our competitors while also articulating a value proposition. After a considerable investment in research, development, testing and refinement, we launched our branding campaign with the introduction of "Mo" - the MountainOne Mountain Goat. A robust advertising campaign across the Berkshires and South Shore in the fourth quarter of 2019 included a new website, billboards, bus wraps, television sponsorships, radio, print and digital media. It has been a tremendous success in terms of increasing brand recognition, and we are hard at work to have the campaign evolve further in 2020.

Personally, the highlight of the year was our first ever company-wide celebration in September at the Publick House in Sturbridge. It was incredibly gratifying to come together as one MountainOne team. This is especially true for those of us who have been around long enough to recall us being three separate banks, two insurance agencies and a standalone investment services company. It was truly satisfying to have our employees gathered together for an evening of fun, relaxation and comradery. We are looking forward to doing it again in 2020!

I would be remiss not to acknowledge the contributions of our long time board member Rick Bullett. Rick will be retiring from the board at this year's annual meeting. Rick has diligently served MountainOne since its inception and, prior to that, Hoosac Bank. Rick's contributions and dedication to MountainOne and the community of North Adams are significant and greatly appreciated. I extend a heartfelt thanks to Rick!

We have a lot to be grateful for as we close 2019. Our dedicated team of employees is the most important asset we have, and meeting the financial needs of our customers and communities continues to be our top priority each and every day!

As always, thanks for your support!



A handwritten signature in black ink that reads "Robert J. Fraser". The signature is written in a cursive, flowing style.

Robert J. Fraser  
President & Chief Executive Officer

# MountainOne Financial

## Consolidated Balance Sheets

As of December 31

2019  
2018  
(Dollars in Thousands)

### Assets

Cash and cash equivalents	\$25,628	\$20,075
Interest-bearing time deposits with other banks	250	250
Marketable equity securities, at fair value	—	97
Securities available for sale, at fair value	96,783	97,315
Federal Home Loan Bank stock, at cost	5,077	5,618
Loans held for sale, at fair value	1,002	1,506
Loans:		
Residential real estate	177,034	195,933
Home equity	41,321	47,532
Commercial real estate	253,160	256,218
Construction and land	126,543	117,635
Commercial	99,666	85,484
Consumer	8,534	8,340
Total loans	706,258	711,142
Deferred loan costs, net	1,138	1,199
Allowance for loan losses	(9,649)	(9,890)
Net loans	697,747	702,451
Premises and equipment	15,283	14,379
Deferred tax asset, net	4,928	6,046
Other real estate owned	1,465	155
Goodwill and other intangible assets	3,293	3,341
Bank-owned life insurance	26,686	26,061
Other assets	10,052	7,443
Total assets	\$888,194	\$884,737

### Liabilities and Capital

Deposits:		
Non-interest-bearing	\$103,464	\$113,894
Interest-bearing	552,388	548,275
Total deposits	655,852	662,169
Federal Home Loan Bank borrowings	104,700	102,300
Subordinated debt	20,620	20,620
Other liabilities	19,631	20,682
Total liabilities	800,803	805,771
Total capital	87,391	78,966
Total liabilities and capital	\$888,194	\$884,737

# MountainOne Financial

## Consolidated Statements of Income

Years Ended December 31

	2019	2018
	(Dollars in Thousands)	
Interest and dividend income:		
Loans, including fees	\$37,022	\$34,948
Securities	3,023	2,889
Federal funds sold and other	182	123
Total interest and dividend income	40,227	37,960
Interest expense:		
Deposits	7,896	6,272
Federal Home Loan Bank borrowings	2,606	2,403
Subordinated debt	959	958
Total interest expense	11,461	9,633
Net interest income	28,766	28,327
Provision for loan losses	1,600	1,600
Net interest income after provision for loan losses	27,166	26,727
Non-interest income:		
Customer service charges on deposits	818	853
Commissions on insurance and investment products	10,806	10,032
Mortgage banking income	500	604
Gain (loss) on securities, net	41	(10)
Other income	1,835	1,752
Total non-interest income	14,000	13,231
Non-interest expense:		
Salaries and employee benefits	19,471	19,674
Occupancy expense	2,445	2,684
Equipment expense	761	883
Data processing expense	1,750	1,772
FDIC deposit insurance assessments	200	472
Other expense	7,681	6,935
Total non-interest expense	32,308	32,420
Income before income taxes	8,858	7,538
Income tax expense	2,256	1,888
Net income	\$6,602	\$5,650

Trustees of MountainOne Financial, MHC  
Directors of MountainOne Financial, Inc.  
Directors of MountainOne Bank

Pamela B. Art  
James J. Bailey, Jr.  
Daniel E. Bosley  
Richard B. Bullett  
Noreen Carey-Neville

David W. Crane  
Robert J. Fraser  
Susan S. Hogan  
Stephen P. Klass  
Kevin A. Maguire

Thomas P. O'Connell  
William F. Spence  
Joseph C. Thompson

Corporators

Billie Lynn Allard  
Paul J. Antonik  
William Apkin  
Pamela B. Art  
James J. Bailey, Jr.  
Ray Belanger, Jr.  
Michael Bellotti  
Blair Benjamin  
James F. Birge  
Daniel E. Bosley  
Julia G. Bowen  
John Bradley  
Diana D. Brooks  
Andrew B. Budz  
Richard B. Bullett  
Daniel H. Campbell  
Noreen Carey-Neville  
Lynne Carlotto  
David Carver  
Philip Chong  
Jennifer Civello  
Eileen M. Clark  
Paula Clough  
Jonathan Cluett  
Robert W. Collins  
David W. Crane  
Stephen G. Crowe  
Richard Curtis  
Steven Del Negro  
Suzanne R. Dewey  
Donald R. Dubendorf  
Paul R. Dupuis

Rosemary Earley  
William E. Elder  
J. Adam Filson  
David F. Fowle  
Robert J. Fraser  
Michael Gardner, Jr.  
Brice George  
Paul Gordon  
Vincent P. Guntlow  
Michael Haddad, Jr.  
Valerie P. Hall  
Allen L. Hall  
Kevin Hanley  
Paula Harris  
Ruth G. Harrison  
Paul Hart  
Susan S. Hogan  
John C. Holden  
Eric Kerns  
Stephen P. Klass  
Teresa H. Lamb  
Richard C. Lamb  
Benjamin Lamb  
Kevin A. Maguire  
Robert Manzella  
Marcia McFarland  
Jon McGrath  
David Moresi  
Amy Moresi  
Kimberly Nelson  
Linda E. Neville  
Thomas P. O'Connell

Maureen M. O'Mara  
Steven Owens  
Charles Perfetuo  
Felicia Pharr  
Jeffrey Phelps  
Michael Quirk  
Regina Quirk  
Leslie Reed-Evans  
Denise C. Richardello  
Mireille Roy  
Jonathan B. Sabin  
Robert J. Scerbo  
Graham Shalgian  
Matt Sheehy  
Eva Sheridan  
Anthony M. Smeglin  
William F. Spence  
Roger E. St.Pierre  
Suzanne J. Stinson  
Bradley C. Svrluga  
Holly Taylor  
Peter Tedeschi  
Jeffrey Thomas  
Joseph C. Thompson  
Steve Triffletti  
Susannah Wells  
Susan J. Yates-Mulder

## MountainOne Financial Officers

Daniel E. Bosley	Chair
Pamela B. Art	Vice Chair
Robert J. Fraser	President & Chief Executive Officer
Lynne M. Carlotto	EVP, Senior Risk Management Officer
Steven J. Owens	EVP, CFO, COO, CIO, & Treasurer
I. Michelle Devine	Acting Corporate Secretary

## MountainOne Investments Officers

Lynn Sullivan	President
Linda B. Levesque	Senior Vice President, Supervising Principal
Robert G. Abel	Senior Vice President, Financial Advisor
James E. Durand	Vice President, Financial Advisor & Head of Research

## MountainOne Insurance Officers

Jonathan S. Denmark	President & Chief Operating Officer
Donna M. Bishop	Senior Vice President, Personal & Commercial Insurance
William R. Robinson	Senior Vice President, Sales Manager
Linda A. Febles	Vice President, Business Insurance
Grace J. Gray	Vice President, Customer Service & Claims
Eric P. Pratt	Vice President, Bonding Manager
Brian W. Drake	Vice President, Employee Benefits

## MountainOne Bank Officers

Robert J. Fraser	President & Chief Executive Officer
Lynne M. Carlotto	EVP, Senior Risk Management & CRA Officer
Steven J. Owens	EVP, CFO, COO, & CIO
Jill K. Amato	SVP, Marketing Officer
Richard W. Bromberg	SVP, IT Director, Information Security Officer
Linda B. Levesque	SVP, Financial Services
Stacy D. Litke	SVP, Senior Operations Officer
Michael Z. Pang	SVP, Credit Administration Officer
Elizabeth A. Petropulos	SVP, Senior Human Resources Officer
Timothy P. Rhuda	SVP, Senior Commercial Banking Officer
Lynn Sullivan	SVP, Executive Community Banking & Cash Management Officer
Melissa E. Weber	SVP, Mortgage Banking & Consumer Lending Officer
Debra A. Wooley	SVP, Controller
Richard J. Alcombright	VP, Local Business & Customer Relations Manager

Kim E. Anderson	VP, Loan Compliance Officer
Melissa DaCosta	VP, Commercial Banking Officer
Jonathan S. Denmark	VP, Insurance Services
Kelly C. Grant	VP, Senior Regional Community Banking Officer
Marie A. Harris	VP, Credit Administration
Kelli E. Kozak	VP, Community Engagement Officer
Matthew B. Kreiser	VP, Commercial Banking Officer
Michael D. Minicucci	VP, Commercial Banking Officer
Steven Munger	VP, Commercial Banking Officer
Stephanie Scott	VP, BSA/AML/OFAC & Deposit Compliance Officer
Amy Backiel	AVP, Loan Operations Officer
Alicia A. Benoit	AVP, Electronic Banking Officer
Alice M. Copeland	AVP, Underwriting and Processing Manager
Susan R. Crum	AVP, Branch Administration
I. Michelle Devine	AVP, Assistant to President & CEO, HR Liaison Officer, Acting Corporate Secretary
Kelly L. Dubie	AVP, Human Resources Officer
Elizabeth D. Kapner	AVP, Marketing Manager
Paula Malloy	AVP, Accounting Manager
Lisa J. Mineau	AVP, Human Resources Officer
Cynthia P. Noyes	AVP, Risk Management Analyst
Rebecca L. O'Regan	AVP, Mortgage Banking and Consumer Lending Liaison
Dhara Purohit	AVP, Credit Administration
Timothy J. Shepard	AVP, Information Technology Officer
Lucille A. Weare	AVP, Community Banking Officer
Nancy E. Baran	Deposit Operations Officer
Ryan Belanger	Network & Systems Officer
Gwenn D. Bishop	Mortgage Underwriter
Heather Bona	Assistant BSA Officer
Brandon D. Cannata	Portfolio Manager
Paula M. Dolan	Loan Compliance Analyst
Peter M. Fortier	Facilities & Security Officer
Jessica A. McGovern	Executive Commercial Banking Assistant & Officer
Randy T. Burdick	Community Banking Officer
Meghan L. Dunphy	Community Banking Officer
Sonia M. Figueira	Community Banking Officer
Greg A. Marchion	Community Banking Officer
Jacob Phillips	Community Banking Officer
Sara L. Argueta	Assistant Community Banking Officer
Erin M. Galvin	Assistant Community Banking Officer
Colleen J. McClintock	Assistant Community Banking Officer
Erik J. Ray	Assistant Community Banking Officer
Devon E. Stone	Assistant Community Banking Officer



## Our Mission

To deliver solutions of real value that help individuals, businesses, and community institutions manage their financial lives with clarity and confidence.

## Our Core Commitments

Asset Quality  
Customer Care  
Operational Distinction  
Professional Development  
Regulatory Accountability  
Community Engagement



North Adams | Pittsfield | Quincy | Rockland | Scituate | Williamstown

MountainOne is a mutual holding company headquartered in North Adams, MA. Founded in 1848, MountainOne Bank provides a complete array of personal and business banking and electronic services. MountainOne Insurance provides personal and business insurance, bonding services, and group benefits solutions. The financial advisors of MountainOne Investments offer securities and advisory services through Commonwealth Financial Network®, member FINRA/SIPC, a Registered Investment Adviser. Fixed insurance products and services offered through CES Insurance Agency or MountainOne Investments. MountainOne Bank is not a registered broker-dealer or Registered Investment Adviser. MountainOne Bank and MountainOne Insurance are not affiliated with Commonwealth. MountainOne Investments' main office is located at 85 Main Street, Suite 100, North Adams, MA 01247. (413) 664-4025

Insurance and Investments are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Funds are subject to investment risks, including possible loss of principal investment.

MountainOne Bank is Member FDIC. Member DIF.  Equal Housing Lender.