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## Essex Savings Bank reports solid earnings and 5.9% capital increase

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Essex Savings Bank held its semi-annual trustees meeting January 26th at the bank's Plains Rd. office. Bank chairman Nicholas Clements welcomed the attendees and stated that even though the outside financial world is on difficult ground, the bank and Essex Financial Services posted the fourth best record earnings at the end of the bank's 157th fiscal year that ended September 30th. Clements said, "We don't make sub-prime loans and we don't have any toxic assets on the balance sheet, so we remain healthy, and, unlike some of our larger competitors, do not require any bailout money from the federal government. We've been in cycles like this before and have always emerged stronger than our competitors. I am confident that we will emerge from this business cycle stronger than ever."

Gregory Shook, president and CEO, said, "I am pleased to report that we had our 4th best fiscal year since 1851. Our credit quality remained excellent and our capital remains more than double the requirement of the FDIC to be considered well capitalized. We have zero foreclosed properties."

"Recently we sent out a news release that underlines our success - we will be distributing another quarter of a million dollars to worthy non-profits whose needs are increasing at an alarming rate. By year end, we will have contributed to the community in excess of \$2.6 million over the past 13 years. Further, work has started at the site in Madison where Essex Savings Bank and Essex Financial Services will open a new financial services center - the first expansion of our footprint in 20 years. It is rewarding to see so many contractors happily at work on the site despite the frigid weather. We are also proud to report that we have reinvested in our Trust Department with superb professionals, Granville Morris and Moira Martin who continue to bring the level of expertise and service to new heights. These initiatives send a solid message externally and internally that we are strong and expect to not only come through these financial times well-positioned, but will be able to seize opportunities as they present themselves." Shook noted that net income of \$2 million actually decreased over the previous year's all time record net income of \$2.4 million due largely to the initiatives referred to above. Total assets rose to \$272 million, a 4.5% increase from the \$260 million reported the previous year as capital increased to \$31 million from \$29 million.

John Rafal, president of Essex Financial Services, reported record earnings. Gross revenue for the fiscal year increased 24% from \$10.5 million the previous year to \$11.3 million. Assets under management were \$2.3 billion at fiscal year end. Rafal said, "Due to unprecedented market conditions, more and more people are looking to independent firms like ours for the service and performance they feel they aren't getting from the large regional and national firms." It was noted that Rafal was named number one by Barron's Magazine in their annual ranking of America's Top Independent Financial Adviser for the second year in a row, which he noted has certainly helped with the flow of new business.

