



# Rising

# A Letter From The President

We've heard it time and time again; 2020 was a year like no other. The country not only faced the Covid-19 pandemic, which caused both a public health crisis and an economic crisis, but it also saw stark reminders of the social and environmental challenges demanding our long overdue, collective attention. This will surely be a year we look back on and remember as one of the most difficult in our lifetime. However, challenging times often have an innate ability to bring out the best in companies and people alike. I'm proud to report with absolute certainty that 2020 did in fact bring out the best in Bay State Savings Bank.

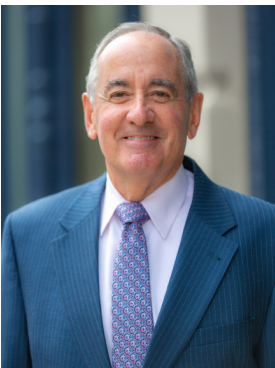
Thanks to our employees' agility, resilience, and innovation, our commitment to deliver exceptional customer service remained steadfast. From our participation in the U.S. Small Business Administration's Paycheck Protection Program (PPP), putting nearly \$30 million back into the hands that needed it most, to tailoring our services to meet the unique needs of each individual customer, Bay State rose to the occasion time and time again.

Financially, our Bank concluded 2020 in outstanding financial health. Assets were at \$469,314,000, net loans at \$401,904,000, net income at \$2,307,000 and capital ratio at 8.83%. Asset growth for the year was 7.2%, loan growth 1.4%, and deposits grew over 10.6%.

This year's Report highlights the strides forward we made despite having to redefine how we conducted business and communicated with customers. We hosted homebuyer seminars virtually and provided financial literacy assistance to the community through an online educational series, #FinanceFridays. We also recognized the uptick in cybercrimes and put considerable effort towards helping our customers stay safe, which included increasing the frequency of customer security updates, as well as launching Zelle, a convenient, secure way for our customers to send money using online and mobile banking.

Although 2020 was a year centered around social distancing, Bay State continued to remain an active contributor to the community. Some of this year's noteworthy donations include a \$10,000 donation to the Worcester Together Fund, a Central Mass Covid-19 relief fund; and a fundraiser in honor of our mascot Benjie's first birthday, benefitting NEADS service dogs in Princeton, MA, which raised over \$6,000. Other initiatives include partnering with the Bravehearts to provide youth with summer camp scholarships; partnering with local restaurant, Quinn's Irish Pub, to provide food for front line workers; and partnering with the YWCA of Central MA, supporting their efforts to eliminate racism.

The Bay State Savings Charitable Foundation also had an exceptional year in giving. The Foundation, established in 2003 to support non-profit organizations and programs that enhance the quality of life in our surrounding communities, distributed more than \$17,000 in grants in 2020. Since its establishment, the Foundation has distributed in excess of \$700,000.



Albert Einstein once said "in the middle of every difficulty lies opportunity." As difficult as the last year has been, Bay State Savings Bank undoubtedly rose to each of the challenges presented and capitalized on every opportunity. I am most thankful to have gone through this year with our dedicated Board of Directors, Corporators, and my coworkers, and am looking forward to rising together, for the years ahead.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pt al".

# Audited Financial Statements

## CONSOLIDATED BALANCE SHEETS

(in thousands)

	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 2,619	\$ 2,675
Short-term investments	<u>38,699</u>	<u>8,054</u>
Cash and cash equivalents	41,318	10,729
Investments in available-for-sale securities	8,006	12,471
Federal Home Loan Bank stock, at cost	1,309	1,693
Loans, net	401,904	396,394
Premises and equipment, net	3,662	3,447
Accrued interest receivable	1,125	1,161
Bank and corporate-owned life insurance	9,256	8,939
Deferred income tax asset, net	1,010	832
Other assets	<u>1,724</u>	<u>2,097</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 469,314</u></b>	<b><u>\$ 437,763</u></b>
<b>LIABILITIES</b>		
Deposits	\$ 406,697	\$ 367,857
Federal Home Loan Bank advances	15,428	25,052
Mortgagors' escrow accounts	1,416	1,402
Other liabilities	<u>3,573</u>	<u>3,711</u>
<b>TOTAL LIABILITIES</b>	<b><u>427,114</u></b>	<b><u>398,022</u></b>
<b>EQUITY</b>	<b><u>42,200</u></b>	<b><u>39,741</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 469,314</u></b>	<b><u>\$ 437,763</u></b>

## CONSOLIDATED STATEMENTS OF INCOME

(in thousands)

	<u>2020</u>	<u>2019</u>
<b>Years Ended December 31,</b>		
	\$ 17,022	\$ 17,007
Interest and dividend income	<u>3,440</u>	<u>4,885</u>
Interest expense	13,582	12,122
Net interest and dividend income	<u>350</u>	<u>277</u>
Provision for loan losses	13,232	11,845
Net interest and dividend income after provision for loan losses	2,181	2,154
Noninterest income	12,330	11,993
Noninterest expense	3,083	2,006
Income before income taxes	776	410
Income tax expense	<u>2,307</u>	<u>1,596</u>
<b>NET INCOME</b>	<b><u>\$ 2,307</u></b>	<b><u>\$ 1,596</u></b>
<b>RETURN ON AVERAGE ASSETS</b>	<b>0.51%</b>	<b>0.38%</b>

# Directors

**Peter B. Alden**

President and CEO: Bay State Savings Bank

**John Altomare, Esq.**

Partner: Fusaro, Altomare & Ermilio, Attys.

**Robert Blute III**

Producer: SGD Insurance Agencies LLC

**William J. Fay**

Funeral Director/Treasurer: Fay Brothers, Inc.

**Carol A. Garofoli**

Director of Operations: Worcester Polytechnic Institute

**John Heald**

Senior Vice President: Channel Development, Legacy.com

**Christine Lucey**

Chief Financial Officer: Sun Transportation, Inc.

**John H. McCabe**

Retired: VP Corporate Development: Jabil Inc.  
Chairman of the Board: Bay State Savings Bank

**Joni Milluzzo**

Owner: Apple Home Care Associates, Inc.

**William J. Mulford**

Assoc. Superintendent for Business: Diocese of Worcester School Dept.

**Alan P. Pandiani**

President: National Glass Works, Inc.

**Michele Sloan**

President/Owner, W J Hoey Tire Co.

**Sharon M. Wratchford**

Consultant  
Audit Committee Chair: Bay State Savings Bank

# Officers

**John H. McCabe**

Chairman of the Board

**Peter B. Alden**

President & CEO

**Thomas J. Belton**

SVP - Information Technology

**Jeanie Connolly**

SVP - Commercial Lender

**Diane M. Giampa**

SVP - HR, Marketing, & Retail Banking

**Steven L. Groccia**

SVP - Commercial Lender

**Maria A. Heskes-Allard**

SVP - Senior Lender

**Lucas J. Miller, Esq.**

SVP - Compliance & General Counsel

**Seth A. Pitts**

SVP - Chief Financial Officer

**Peter P. Rovezzi**

SVP - Strategic Sales

**Heather L. Belair**

VP - Executive Liaison, Branch & Lending Operations

**Jayne D. Burdett**

VP - Branch Manager

**Cheri E. Carty**

VP & Treasurer

**Karin Gaffney**

VP - Commercial Lender

**Jeffrey B. Locke**

VP - Branch Manager

**Heather M. Loranger**

VP - Deposit Operations

**Marc C. Sanguinetti**

VP - Retail Lending & Loan Servicing

**Joyce B. Shand**

VP - Credit Administration Officer

**Cheryl A. Begin**

AVP - Commercial Loan Officer

**Emiljano Beqo**

AVP - Loan Servicing Officer

**Rachel G. Hall**

AVP - Human Resources

**Lori L. Kowal**

AVP - Commercial Loan Administration Officer

**Rex C. Macapinlac**

AVP - Marketing

**Jill L. Wardle**

AVP - Cash Management Officer

**Joseph P. Ewing**

Branch Manager

**Jessica M. Favreau**

Commercial Loan Officer

**Pamela Gastori**

Portfolio Manager & Reporting Officer

**Ana C. Pestana**

Loan Servicing Officer

**Lauren M. Piehl**

Branch Manager

**Trinny A. Pineda**

Branch Manager

**Gerald N. L. Plange**

Senior Consumer Lending Officer

**Rebecca L. Sauvageau**

Operations Officer

# Corporators

**Tom Ackerman**

Territory Agent, Colonial Life

**Jay Z. Aframe**

Attorney/Partner, Phillips, Silver, Talman, Aframe & Sinrich, P.C.

**Anthony Athy**

Owner, Athy Memorial Home

**Desiree Awiszio**

Consulting Engineer

**Ann Marie Belair**

President, Sterling Realty Belair, Inc.

**Matthew Bigda**

Vice President - Institutional Distribution, US Boston Capital Corporation

**Aaron Birt**

Materials Science & Engineering, WPI

**John Bomba**

Owner, Harrington Farms

**Mark A. Borenstein**

Attorney, Bowditch & Dewey

**Robert Branca**

President, Branded Realty Group

**Karin Branscombe**

CEO, Quaker Special Risk

**Stephen S. Buchalter**

President, Enterprise Cleaning Corp.

**Eric Busenberg**

President, Euro-American

Worldwide Logistics

**James Cahn**

Managing Attorney, Army & Roche, LLC

**Dr. Matilde Castiel**

Commissioner of Health & Human Services, City of Worcester

**Liz Clemenzi**

Principal, Commonwealth Appraisal Services

**Walter M. Conlin, Jr.**

Vice President, Thomas J. Woods Insurance Agency, Inc.

**P. Scott Conti**

President, Capital Properties, Inc.

**Michael Cotoia**

CEO, TechTarget

**Joseph W. Crotty**

Wealth Management Associate, Morgan Stanley

**Lisbet Crowley**

Senior Brand Manager, Polar Beverages

**David Cyganski**

Retired Professor, Worcester Polytechnic Institute

**Patrick J. Diggins**

Principal, Sullivan Garrity & Donnelly Insurance

**Paul A. DiPierro**

Vice Chairman, Anna Maria College

**Howard Dono**

President/CEO, Howard S. Dono & Associates

**Sheilah H. Dooley**

Executive Director, Pernet Family Health Service

**Paul Dubrey, Jr.**

Assistant Professor of Accounting, Worcester State University

**Eric N. Dunphy**

EVP, Vital Emergency Medical Services

**Robert Duquette**

Retired CFO, Bay State Savings Bank

**Francis P. Ermilio, DC**

Chiropractor, Gold Star Chiropractic, Inc.

**Michael S. Farmer**

Financial Planner, Integrated Financial Partners

**Patti-anne Faucher**

Owner/Broker, Patti Faucher Real Estate

**Brian S. Fitzgerald**

Manager, 215 Properties, LLC

**Lt. James P. Fogarty**

Station Commander, MA State Police

**Patricia Gates**

Partner/Attorney, Mountain, Dearborn & Whiting LLP

**Elaine A. Godimis**

Owner: Elaine Godimis,

Attorney at Law

**James E. Griffin, III**

President, Griffin & Company PC

**William Gurney**

President, Gurney's Automotive Repair, Inc.

**Kimberly Harmon, RN, BSN**

President, Life Enterprises, Inc.

**Neil Harvey**

President, Harvey Remodeling LLC

**James Hogan**

Couturier

**Dr. Jennifer Hyton**

Executive Director, Counseling & Assessment

Clinic of Worcester, LLC

**Valerie James**

Owner, Val's Restaurant

**Timothy M. Jarry**

Chief Financial Officer, Saint John's High School

**Joseph Jenkins**

Attorney, Law Office of Attorney Joseph Jenkins

**Ashley Johnson**

Owner, Salon Exquisite

**Donald J. Joslyn, Jr.**

Owner, Ace Temperature Control, Inc.

**Gerald Kashuk**

CFO, Highland Apartments, LLC

**Christopher A. Kiritsy**

Owner, Kiritsy Contracting

**Ryan Kittredge**

Partner/CFP, Carr Financial Group

**Audrey Kurian-Marcy**

Philanthropist

**Timothy Lahey**

Senior Vice President, CBRE

**Tommy Lee, Sr.**

Trustee, Kent Lane Realty Trust

**Debra S. Levenson**

Public Relations Specialist

**Harrison Levitsky**

Principal, Lighthouse Realty Management, LLC

**Tricia MacIsaac**

Attorney, St. Pierre & St. Pierre P.C.

**Stephen F. Madaus**

Partner, Mirick, O'Connell, DeMallie & Lougee, LLP

**William McCullough**

CPA, McCullough & Associates

**John (Jack) McDaniel**

President/Founder, iSun International Group, LLC

**Iain McKinlay**

Owner, McKinlay's Liquors

**Kathy McSweeney**

Realtor, Lamacchia Realty

**Herve Medard**

Owner/Personal Trainer/Group

Instructor, Fit Body Boot Camp

**Margaret E. Melican**

Attorney

**Christopher D. Metzger**

Attorney/President, Alexandrov, Metzger & Flanagan, P.C.

**Michael J. Mills**

President, Business Coaches and Associates

**Moira Moynihan-Manoog**

CFP/Firm Principal, MSW Financial Partners

**Dorinda O'Connell**

Owner/Manager, O'Connell Realty LLC

**Robert E. O'Connell, III**

Owner/Manager, O'Connell Realty LLC

**Jon Oliveri**

Owner/GM, Oli's Italian Eatery

**Christopher Ouimet**

President, CMO Group, Inc.

DBA, Fitz's Car Wash

**David Papazian**

Owner, Dzian Gallery

**Matthew Pelogian**

Attorney, Bennett & Forts PC

**Lisa Piehler**

Retired

**Tracey Porcaro**

Executive Vice President, Robert Powers Insurance

**Christopher Powers**

SVP/Employee Benefits, Risk Strategies

Company

**Lori Quinn**

PACU Nurse, Worcester Surgical Center

**Thomas F. Rafferty**

Owner, Millbrook Lumber, Inc.

**James Riseborough**

President, Turtle Transit

**Gladys Rodriguez-Parker**

Senior District Representative, Office of

Congressman James P. McGovern

**Josue Rosa**

President, Tu Moda Spa

**Anthony Rozevicius**

CPA/Partner, O'Connor, Maloney & Company P.C.

**Anthony Servidio**

Corporate Tax Auditor, Commonwealth of MA Department of Revenue

**Mark W. Smiley**

President/Principal, Managed

WealthStrategies, LLC

**David W. Stead**

Broker, RE/MAX Advantage I

**Joseph Sullivan**

President, PMA, Inc.

**Robert L. Thomas**

President & COO, New Americans

Community Development Corp

**Daniel C. Tinsley**

VP/Financial Advisor, Tinsley Financial Group, LLC

**Genti Tollkuci**

Manager, Bon Bini Realty

**Iridia Tollkuci**

Principal, Catalyst Insurance Agency

**Francis J. Trapasso**

President/Owner, Francis J. Trapasso & Associates

**Michael Vicens**

Project Manager, Columbia Tech

**Nancy L. Virzi**

Retired, Insurance Broker

**Julian Wade**

President & CEO, Davis Publications, Inc.

**Amerigo Zamarro, Jr.**

Owner, A.A. Zamarro & Associates, Inc.

**Kelsa Zereski**

President, Reliant Foundation, Inc.

2020

A Year to Remember

## Welcome, Seth!

SVP and Chief Financial Officer

**Seth A. Pitts** joined Bay State Savings Bank in May 2020. In his role, Seth manages Bay State's financial reports, planning, records, as well as the Bank's Finance and Operations departments. He bears more than ten years of experience in banking, finance, and federal regulation.



## Lending a helping hand

To support local businesses that were financially impacted by the pandemic, the Bank participated in the SBA Paycheck Protection Program. During the first draw, Bay State's Commercial Lending team processed more than 325 loans and provided over \$28M in funds for business owners.

## Bay State launches Zelle

In Fall 2020, the Bank launched **Zelle**, an online platform that allows users to securely send and receive money fast via online and mobile banking. Amidst a time where social distancing was enforced, the Bank's launch of this contact-free payment app could not have been more conveniently timed and suited to meet the needs of our customers.

*Give Zelle a try!  
Simply open your mobile  
device's camera  
and point it here!*





## The Bank's first Youtube series

Financial Literacy Coordinator Lauren Piehl and Assistant Ariana Dello Stritto launched the Bank's first Youtube series **#FinanceFridays** to promote free educational content on bank products and services online. Since last year's launch, the Bank's Financial Literacy page has risen to become the Bank's fifth most visited website page.



## Staying connected

Despite 2020's social distancing, Bay State Savings Bank still found a way to connect with its local community and make a positive impact online.

In March, the Bank **purchased a horse** for the Worcester Mounted Police Unit and **held a naming contest on social media**. Over 600 names were submitted! The horse, now named Cash, is used by the Worcester Police to conduct surveillance.

In June, for Benjie's first birthday, the Bank **used social media to raise over \$6,410** to donate to service dog nonprofit NEADS and paired a service dog Charlie with a NEADS client who was recently diagnosed with MS.

On Zoom, the Bank also **hosted two free home buyer seminars** and even a children's **live read-along** of author Margie Palatini's *Three Silly Billies*, featuring Benjie.





Your

# COMMUNITY BANK

*of choice.*



## Main Office

**28 Franklin St. Worcester, MA 01608**

(508) 890-9000 | (800) 244-8161

(508) 890-9090 (Español)

## Other Locations

**378 Burncoat St. Worcester, MA 01606**

(508) 890-8920

**275 Mill St. Worcester, MA 01602**

(508) 890-8940

**799 Grafton St. Worcester, MA 01604**

(508) 890-9620

**628 Main St. Holden, MA 01520**

(508) 890-8960

**123 Auburn St. Auburn, MA 01501**

(508) 890-8980

**Auburn High School Auburn, MA 01501**

(Not open to the public)

## Videos

Catch up on our Bank's latest adventures! From fun with Benjie to financial literacy, it's all on video, via the QR code below.



**BayState**  
*Savings Bank* 

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Member DIF  LEADER

We take banking personally.

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