



ANNUAL REPORT 2021

RESILIENCE

A Letter From The President

At the beginning of 2021, many of us felt optimistic that the difficult days of 2020 were behind us. We thought the Covid-19 pandemic, the economic crisis, and the social and environmental challenges we'd all been experiencing would improve, and that life would go back to what we once knew as normal. Just when it seemed there was light at the end of the tunnel, the pandemic continued. The economy worsened, and the physical and mental health of many worsened. Despite all of this, the employees of Bay State Savings Bank were resilient.

Their resiliency was evident through the constant support of our customers, as well as one another. Our employees drew upon their collective strength and focused on opportunities, ranging from enhancing the consumer experience through both our digital channels and in our branches, to developing and implementing strategies that promote a healthier work-life balance for all.

Our commitment to deliver exceptional customer service also remained steadfast. Thanks to our employees' dedication, perseverance, and flexibility, we continued offering U.S. Small Business Administration's Paycheck Protection Program (PPP), putting a total of nearly \$45 million back into the businesses that needed it most.

Financially, Bay State Savings Bank concluded 2021 in outstanding financial health. Assets were at \$491,684,000, net loans at \$389,755,000, net income at \$4,181,000 and capital ratio at 9.28%. Asset growth for the year was 5%, and deposits grew over 8%.

This year's Annual Report highlights our ability to continue serving our customers and our community in the face of adversity. In 2021, we worked to meet the increasing demand of "socially distanced" banking and invested in various technology upgrades and training initiatives. We also doubled down on our financial literacy efforts, restructuring our #FinanceFriday videos, and increasing our outreach to the students at our Auburn High School branch.

Giving back to the community remained a top priority despite the continued pandemic-related measures in place. Some of this year's most noteworthy donations include a more than \$10,000 donation to Clear Path for Veterans New England, in honor of our mascot Benjie's second birthday. We also hosted our first CEO Soak, raising over \$7,000 for the ALS Association Massachusetts Chapter, and raised just under \$25,000 for 12 local non-profits through our "Casual for a Cause" initiative.



While another year of the pandemic has certainly been challenging in many respects, it's made one thing very clear: our employees are resilient, and their collective commitment to make Bay State Savings Bank "the community bank of CHOICE" has never shined brighter. My sincerest gratitude goes out to our Board of Directors, Corporators, and especially my colleagues, for another successful year. Together, we continue to move positively forward.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Al".

Financial Statements

CONSOLIDATED BALANCE SHEETS

(in Thousands)

ASSETS	12/31/2021	12/31/2020
Cash and due from banks	\$ 2,466	\$ 2,619
Short-term investments	55,168	38,699
Cash and cash equivalents	57,634	41,318
Investments in available-for-sale securities	25,540	8,006
Federal Home Loan Bank stock, at cost	774	1,309
Loans, net	389,755	401,904
Premises and equipment, net	3,178	3,662
Accrued interest receivable	939	1,125
Bank and corporate-owned life insurance	9,721	9,256
Deferred income tax asset, net	973	1,010
Other assets	3,170	1,724
TOTAL ASSETS	\$491,684	\$469,314
LIABILITIES		
Deposits:		
Noninterest-bearing	\$ 98,412	\$ 81,793
Interest-bearing	337,124	324,904
Total deposits	435,536	406,697
Federal Home Loan Bank advances	4,882	15,428
Mortgagors' escrow accounts	1,478	1,416
Other liabilities	3,851	3,573
TOTAL LIABILITIES	445,747	427,114
EQUITY		
Retained earnings	46,084	41,903
Accumulated other comprehensive (loss) income	(147)	297
TOTAL EQUITY	45,937	42,200
TOTAL LIABILITIES AND EQUITY	\$491,684	\$469,314

CONSOLIDATED STATEMENT OF INCOME

(in Thousands)

Years Ended December 31,	2021	2020
Interest and dividend income	\$ 16,531	\$ 17,022
Interest Expense	1,568	3,440
Net interest and dividend income	14,963	13,582
Provision for loan losses	(843)	350
Net interest and dividend income after provision for loan losses	15,806	13,232
Noninterest income	3,126	2,181
Noninterest expense	13,328	12,330
Income before income taxes	5,604	3,083
Income tax expense	1,423	776
NET INCOME	\$ 4,181	\$ 2,307
RETURN ON AVERAGE ASSETS	0.87%	0.50%



John H. McCabe
“Jack”
Honoring 45 Years of Service to
Bay State Savings Bank
1977-2022

John H. McCabe became a member of the Bay State Savings Bank’s corporate family in 1977, and a member of the Board of Directors in 1988. In April of 2014, he was elected Chairman of the Board. Under Mr. McCabe’s stellar direction and leadership, Bay State Savings Bank has grown from just over \$286 million in assets to just over \$500 million in assets.

While he will certainly be missed, it is with sincere gratitude and appreciation from the Bay State Savings Bank Board of Directors, Corporators and employees that we congratulate Mr. McCabe on his retirement and wish him the very best.



Directors

Peter B. Alden
President & 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
Consultant

John Heald
Senior Vice President – Channel Development, Legacy.com

Christine Lucey
CFO: Sun Transportation, Inc.

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

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Owner: Apple Home Care Associates, Inc.

William J. Mulford
Assoc. Super. for Business: Diocese of Worcester School Dept.

Alan P. Pandiani
President: National Glass Works, Inc.

Sharon M. Wratchford
Consultant
Audit Committee Chair: Bay State Savings Bank

Michele Sloan
President/Owner, W J Hoey Tire Co.

Officers

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Chairman of the Board

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President & CEO

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EVP – HR, Marketing & Retail Banking

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EVP – Senior Lender

Lucas J. Miller, Esq.
EVP – Compliance & General Counsel

Seth A. Pitts
EVP – Chief Financial Officer

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SVP – Information Technology

Jeanie Connolly
SVP – Commercial Lender & Team Lead

Daniel J. Kelser
SVP – Commercial Lender & Team Lead

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SVP – Strategic Sales

Heather L. Belair
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Operations

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VP – Commercial Lender

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VP- Deposit Operations

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VP- Retail Lending & Loan Servicing

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VP- Credit Administration Officer

Zachary C. Silverman
VP – Branch Manager

Cheryl A. Begin
AVP – Commercial Loan Officer

Emiljano Beqo
AVP – Loan Servicing

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AVP – Human Resources

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AVP – Commercial Loan
Administration Officer

Lauren M. Piehl
AVP - Branch Manager & Financial
Literacy Coordinator

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AVP - Cash Management Officer

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Customer Relationship Officer

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Commercial Loan Officer

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Portfolio Manager &
Reporting Officer

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Senior Consumer Lending Officer

Rebecca L. Sauvageau
Senior Operations Officer

Kathleen A. Sivret
Branch Manager

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Territory Agent, Colonial Life

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

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Owner: Athy Memorial Home

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US Boston Capital Corporation

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President: Enterprise Cleaning Corp.

Eric Busenberg
President, Euro-American Worldwide Logistics

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Managing Attorney, Army & Roche LLC

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Commissioner of Health & Human Services, City of
Worcester

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Executive Director: Pernet Family Health Service

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University

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EVP, Vital EMS

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Retired CFO, Bay State Savings Bank

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Chiropractor, Gold Star Chiropractic, Inc.

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Financial Planner, Integrated Financial Partners

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Owner/Broker, Patti Faucher Real Estate

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Manager, 215 Properties LLC

Lt. James P. Fogarty
Station Commander, MA State Police

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Partner/Attorney: Mountain, Dearborn & Whiting
LLP

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President, Life Enterprises, Inc.

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Couturier

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Executive Director, Counseling & Assessment
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Consultant, Prime Buchholz LLC

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Attorney, Law Office of Atty Joseph Jenkins

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Owner, Salon Exquisite

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President, Ace Temperature Control Inc.

Gerald Kashuk
CFO: Highland Apartments, LLC

Christopher A. Kiritsy
Owner, Kiritsy Contracting

Ryan Kittredge
President & Financial Advisor, ClearPath Financial
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Philanthropist

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Senior Vice President, CBRE

Tommy Lee Sr.
Trustee, Kent Lane Realty Trust

Debra S. Levenson
Public Relations Specialist

Harrison Levitsky
CEO, Lighthouse Realty Management LLC

Maribeth Lynch
Broker/Owner, Thrive Real Estate Specialists

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Attorney, St. Pierre & St. Pierre PC

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

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Principal Owner, May Property Management
Vice President, Glickman Kovago

William McCullough
CPA, McCullough & Associates CPAs

Jack McDaniel
President/Founder, iSun International Group, LLC

Iain McKinlay
Owner, McKinlay's Liquors

Sean McShea
EVP/Director of Institutional Business, Sage
Advisory Services

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Realtor, Lamacchia Realty

Herve Medard
Owner, West Boylston Fit Body Boot Camp

Margaret Melican
Attorney

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

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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 Fitzy's Car Wash

David Papazian
Owner, Dzian Gallery

Matthew Peloquin
Attorney, Bennett & Forts PC

Lisa Piehler
Retired

Tracey Porcaro
Executive Vice President, Robert Powers
Insurance

Christopher Powers
Senior VP - Employee Benefits, Risk Strategies
Company

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James Riseborough
President, Turtle Transit

Gladys Rodriguez-Parker
Senior District Representative, Office of
Congressman James McGovern

Josue Rosa
President, Tu Moda Spa

Anthony Rozevicius
CPA/Partner: O'Connor, Maloney & Company PC

Anthony Servidio
Corporate Tax Auditor, Commonwealth of MA
Dept. of Revenue

Mary Simone
General Manager, AC Hotel Worcester

Mark W. Smiley
President/Principal, Managed Wealth Strategies
LLC

David W. Stead
Broker, RE/MAX Advantage 1

Robert L. Thomas
President & COO: New Americans Community
Development Corp

Daniel C. Tinsley
Vice President, Financial Advisor – Tinsley
Financial Group LLC

Genti Tollkuci
Manager, Bon Bini Realty

Irida Tollkuci
Principal, Catalyst Insurance Agency

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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.

Victoria Waterman
CEO, Girls Inc. of Worcester

Amerigo Zamarro, Jr.
President - AA Zamarro & Associates

Kelsa Zereski
President, Reliant Foundation, Inc.

2021 Highlights



"Resilience" is defined as the capacity to recover quickly from difficulties, and despite the pandemic, we never stopped. Bay State Savings Bank continued to provide our customers with banking however they needed it - personally, efficiently, flexibly, and conveniently.



Facility upgrades included 3 new ATMs, coin machines for each branch, and a brand new look for our company vehicle.



With Loan Officer Connect, loan officers are able to transact business with the Bank remotely, allowing them to meet their customers any time, any where!



In 2020 and 2021, \$45 million in U.S. Small Business Administration Paycheck Protection Program (PPP) loans closed, putting much needed funds back into the community.



We reinvested \$275,000 back into our community, including \$24,144 raised by employees through the Casual for a Cause initiative, supporting 12 local non-profits.



The Bank managed a combined total of more than \$84 million in retail loan production; over \$55 million in refinanced and purchased homes, and over \$29 million in home equity loans.



Headquarters

28 Franklin Street, Worcester, MA 01608

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

(508) 890-9090 (Español)

Branch Locations

378 Burncoat Street, Worcester, MA 01606

(508) 890-8920

275 Mill Street, Worcester, MA 01602

(508) 890-8940

799 Grafton Street, Worcester, MA 01604

(508) 890-9620

628 Main Street, Holden, MA 01520

(508) 890-8960

123 Auburn Street, Auburn, MA 01501

(508) 890-8980

Auburn High School, Auburn, MA 01501

(Not open to the public)

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Savings Bank



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We take banking personally.