

ANNUAL REPORT

2022



EVERY DAY WE GET

WHY BANKING LOCAL MATTERS

A LETTER FROM THE PRESIDENT

Since 1895, Bay State Savings Bank has remained committed to our mission “to exceed the expectations of our customers, community, and stakeholders while helping them achieve their financial goals through outstanding personalized service.”

Bay State Savings Bank plans to continue to meet the needs of current customers and future generations, without sacrificing excellence, through continued preservation and enhancement of our financial, environmental, and social capital.



Financially, 2022 was another great year for Bay State Savings Bank. It is the first time in our Bank’s history that we have seen our assets surpass \$500 million. Ending the year in sound financial health, Bay State Savings Bank’s total assets were at \$500,748,000, net loans at \$422,746,000, and net income at \$2,516,000.

The health of our Bank’s finances allows us to continue supporting local families as they purchase their first home or save to send their children to college, as well as make sure small businesses have the financial services and solutions they need.

Above all, we have always put our customers and community first. The incredible team we have built throughout the years makes our commitment to excellence and impact on the communities we serve possible. Bay State Savings Bank’s staff are exceptional and together work collaboratively to truly understand each customer’s financial goals and tailor solutions specific to each individual’s needs.

Over the last 128 years, Bay State Savings Bank has abided by fundamental principles which include service, excellence, and trust. Looking to the future, I can say with certainty, Bay State Savings Bank is fiercely committed to remaining independent, growing organically, supporting the communities in which we draw business, and helping generations of families achieve brighter and financially sound futures.

Thank you to every past, present, and future customer, employee, board member, corporator, and supporter of Bay State Savings Bank. My gratitude is endless, and I look forward to seeing what’s to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Alden". The signature is fluid and cursive, written in a professional style.

Peter Alden, President & CEO

Financial Statements

CONSOLIDATED BALANCE SHEETS

	(in Thousands)	<u>2022</u>	<u>2021</u>
ASSETS			
Cash and due from banks		\$ 2,346	\$ 2,466
Short-term investments		6,665	55,168
Cash and cash equivalents		9,011	57,634
Investments in available-for-sale securities, at fair value		47,952	25,540
Federal Home Loan Bank stock, at cost		1,040	774
Loans, net		422,746	389,755
Premises and equipment, net		2,682	3,178
Accrued interest receivable		1,471	939
Bank and corporate-owned life insurance		9,638	9,721
Deferred income tax asset, net		2,259	973
Operating lease right-of-use assets		2,019	-
Other assets		1,930	3,170
TOTAL ASSETS		<u>\$500,748</u>	<u>\$491,684</u>
LIABILITIES AND EQUITY			
Deposits:			
Noninterest-bearing		\$ 97,759	\$ 98,412
Interest-bearing		341,560	337,124
Total Deposits		439,319	435,536
Federal Home Loan Bank advances		9,855	4,882
Mortgagors' escrow accounts		1,541	1,478
Operating lease liabilities		2,019	-
Other liabilities		3,981	3,851
Total Liabilities		456,715	445,747
Equity:			
Retained earnings		48,600	46,084
Accumulated other comprehensive loss		(4,567)	(147)
Total Equity		44,033	45,937
TOTAL LIABILITIES AND EQUITY		<u>\$500,748</u>	<u>\$491,684</u>

CONSOLIDATED STATEMENT OF INCOME

Years End December 31	(in Thousands)	<u>2022</u>	<u>2021</u>
Interest and dividend income		\$ 17,410	\$ 16,531
Interest expense		1,764	1,568
Net interest and dividend income		15,646	14,963
Provision for loan losses		1	(843)
Net interest and dividend income after provision		15,645	15,806
Noninterest income		1,672	3,126
Noninterest expense		13,865	13,328
Income before income tax expense		3,452	5,604
Income tax expense		936	1,423
NET INCOME		<u>\$ 2,516</u>	<u>\$ 4,181</u>
RETURN ON AVERAGE ASSETS		0.50%	0.87%

WELCOME CHAIRMAN OF THE BOARD OF DIRECTORS

William J. Fay II of Fay Brothers, Inc.

This year, Bay State Savings Bank is proud to announce William (Bill) J. Fay II, of Fay Brothers, Inc., the parent company of three Central Massachusetts funeral homes, as the newly elected Chairman of the Bank's Board of Directors.

Fay succeeds chairman John H. McCabe, becoming the third chair to serve with Bay State Savings Bank President and CEO, Peter Alden, since his appointment in 2011.

Looking to the future, Bay State Savings Bank's President & CEO, Peter Alden, is thrilled to work with Bill and the other 13 members of the Board in continuously serving the residents of Worcester and its surrounding towns. In congratulating Fay, Peter Alden trusts that "Bill Fay's long-rooted history of service and knowledge of those living and working throughout Worcester County make him the perfect person to lead Bay State Savings Bank's Board of Directors."



William J. Mulford

William J. Mulford (Jeff) has dedicated 43 years of service to Bay State Savings Bank, beginning as a Corporator in 1980. Mr. Mulford became a member of the Board of Directors in 1988.

On behalf of all Bay State Savings Bank Directors, Corporators, and employees, we wish Mr. Mulford the very best in his retirement.



THANK YOU FOR YOUR COMMITMENT!

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

Michael Farmer

Financial Planner, Integrated Financial Partners

William J. Fay II

Funeral Director/Treasurer, Fay Brothers, Inc.
Chairman of the Board: Bay State Savings Bank

Carol A. Garofoli

Consultant

John Heald

GM - Funeral Channel, Legacy.com

Christine Lucey

CFO, Sun Transportation, Inc.

John H. McCabe

Ex-Officio Director

Joni Milluzzo

Owner, Apple Homecare Associates, Inc.

William J. Mulford

Assoc. Super. 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

William J. Fay II

Chairman of the Board

Peter B. Alden

President & CEO

Diane M. Giampa

EVP - HR, Marketing & Retail Banking

Maria A. Heskes-Allard

EVP - Senior Lender

Lucas J. Miller, Esq.

EVP - Compliance & General Counsel

Seth A. Pitts

EVP - Chief Financial Officer

Thomas J. Belton

SVP - Information Technology,
Security, and Facilities

Jeanie Connolly

SVP - Commercial Lender, Team Lead

Bernard P. Gagnon

SVP - Commercial Lender

Daniel J. Kelser

SVP - Commercial Lender, Team Lead

Jeffrey B. Locke

SVP - Branch Manager/Senior
Mortgage Officer

Peter P. Rovezzi

SVP - Retail Sales

Marc C. Sanguinetti

SVP - Retail Lending

Joyce B. Shand

SVP - Credit Administration

Heather L. Belair

VP - Executive Liaison, Branch and
Lending Operations

Cheri E. Carty

VP - Finance and Treasury

Rachel G. Hall

VP - Human Resources

Rebecca L. Hirtle

VP - Deposit Operations & E-Banking

Jennifer A. Hubert

VP - Marketing

Lori L. Kowal

VP - Commercial Loan Operations

Zachary C. Silverman

VP - Branch Manager

Jill L. Wardle

VP - Cash Management

Emiljano Beqo

AVP - Compliance/BSA Specialist

Jessica M. Favreau

AVP - Commercial Lender

Pamela Gastori

AVP - Portfolio Manager and
Reporting Officer

Lauren M. Piehl

AVP - Training & Financial Literacy
Coordinator

Stephanie T. Soden

AVP - Loan Servicing

Ariana N. Dello Stritto

Marketing Officer

Gene L. Dow

Operations Officer

Joseph P. Ewing

Customer Relationship Officer

Rosa M. Hernandez

Branch Operations Officer

Gerald N. L. Plange

Senior Consumer Lending Officer

Tiffany Ruiz

Branch Manager

Kathleen A. Sivret

Branch Manager

Michelle M. Swiderski

Customer Relationship Officer

Corporators

Tom Ackerman

Colonial Life

Anthony Athy

Athy Memorial Home

Desiree Awiszio

Consulting Engineer

Danielle Babineau

Redemption Rock Brewery

Robert Baker

RKG Investments

Ann Marie Belair

Sterling Realty Belair, Inc.

Matthew Bigda

US Boston Capital Corporation

Aaron Birt

Solvus Global

John Bomba

Harrington Farms

Mark A. Borenstein

Bowditch & Dewey

Robert Branca

Branded Realty Group

Karin Branscombe

Quaker Special Risk

Stephen Buchalter

Enterprise Cleaning & Restoration

Eric Busenberg

Euro-American Worldwide Logistics

James Cahn

Army & Roche LLC

Dr. Matilde Castiel

City of Worcester

Martha Chiarchiaro

Corporator

Liz Clemenzi

Commonwealth Appraisal Services

Walter M. Conlin, Jr.

Thomas J. Woods Insurance Agency, Inc.

P. Scott Conti

MassDOT

Michael Cotoia

TechTarget

Michael Covino

Niche Hospitality Group

John Creedon

Worcester Brave Hearts

Joseph W. Crotty

Morgan Stanley

Lisbet Crowley

Polar Beverages

David Cyganski

Retired

Joyce O'Connor Davidson

DetecTogether

Patrick J. Diggins

Sullivan Garrity & Donnelly Insurance

Paul A. DiPierro

Anna Maria College

Howard Dono

Howard S. Dono & Associates

Sheilah H. Dooley

Pernet Family Health Services

Paul Dubrey Jr.

Worcester State University

Eric N. Dunphy

Vital EMS

Francis P. Emilio D.C.

Gold Star Chiropractic, Inc.

Patti-anne Faucher

Patti Faucher Real Estate

Brian S. Fitzgerald

215 Properties LLC

Lt. James P. Fogarty

MA State Police

Laurie Gardner

Corporator

Patricia Gates

Mountain, Dearborn & Whiting LLP

John Goodhile

Stewart's Chocolates

James E. Griffin, III

Griffin & Company PC

William Gurney

Gurney's Automotive Repair, Inc.

Kimberly Harmon, RN BSN

Life Enterprises, Inc.

Neil Harvey

Harvey Remodeling LLC

James Hogan

Couturier

Dr. Jennifer Hylton

Counseling & Assessment Clinic of Worcester LLC

Valerie James

Val's Restaurant

Joseph Jenkins

Law Office of Atty Joseph Jenkins

Ashley Johnson

Salon Exquisite

Brian Johnson

Kelleher & Sadovsky

Donald J. Joslyn, Jr.

Ace Temperature Control, Inc.

Christopher A. Kiritsy

Kiritsy Contracting

Ryan Kittredge

ClearPath Financial Partners

Audrey Kurlan-Marcy

Philanthropist

Timothy Lahey

CBRE

Kathy Leal

Blushing Bee Naturals

Tommy Lee Sr.

Kent Lane Realty Trust

Debra S. Levenson

Public Relations Specialist

Harrison Levitsky

Lighthouse Realty Management LLC

Tricia MacIsaac

St. Pierre & St. Pierre PC

Stephen F. Madaus

Mirick O'Connell, DeMallie & Lougee, LLP

Matthew Mayrand

May Property Management

William McCullough

McCullough & Associates CPAs

Iain McKinlay

McKinlay Liquors

Sean McShea

Sage Advisory Services

Kathy McSweeney

Lamacchia Realty

Herve Medard

West Boylston Fit Body Boot Camp

Christopher D. Metzger

Alexandrov, Metzger & Flannagan P.C.

Moirra Moynihan-Manoog

MSW Financial Partners

Trang Nguyen

Law Office of Trang Nguyen, Esq.

Dorinda O'Connell

O'Connell Realty LLC

Robert E. O'Connell, III

O'Connell Realty LLC

Jon Oliveri

Oli's Italian Eatery

Robert Oriol

Oriol Healthcare

Christopher Ouimet

Fitzy's Car Wash

David Papazian

Dzian Gallery

Matthew Peloquin

Bennett & Forts PC

Lisa Piehler

Retired

Tracey Porcaro

Robert Powers Insurance

Christopher Powers

Risk Strategies Company

Lori Quinn

Worcester Surgical Center

Timothy Quinn

Quinn's & Quinn's Blue Plate

Thomas F. Rafferty

Millbrook Lumber, Inc.

James Riseborough

Turtle Transit

Gladys Rodriguez-Parker

Office of Congressman James McGovern

Josue Rosa

Tu Moda Spa

Anthony Rozevicius

O'Connor, Maloney & Company PC

Dino Schnare

L & R Sales, Inc.

Anthony Servidio

Commonwealth of MA Dept. of Revenue

Mary Simone

AC Hotel Worcester

Mark W. Smiley

Managed Wealth Strategies LLC

David W. Stead

RE/MAX Advantage I

Robert L. Thomas

New Americans Community Development Corp

Daniel C. Tinsley

Tinsley Financial Group LLC

Genti Tollkuci

Bon Bini Realty

Irida Tollkuci

Catalyst Insurance Agency

Francis J. Trapasso

Francis J. Trapasso & Associates

Elizabeth Valdes

SKM Title & Closing Services PC

Michael Vicens

Columbia Tech

Nancy L. Virzi

Retired

Julian Wade

Davis Publications, Inc.

Victoria Waterman

Girls Inc. of Worcester

Amerigo Zamarro, Jr.

AA Zamarro & Associates, Inc.

Erin Zamarro

Coldwell Banker Realty

Kelsa Zereski

Reliant Foundation, Inc.

COMMITTED TO OUR COMMUNITY

Bay State Savings Bank employees live, work, and participate in the community. They are involved and invested with over 1,778 hours of volunteering clocked throughout 2022. Whether it is sitting on a local non-profit board or committee, teaching financial literacy, or participating in community clean-up efforts, they are actively making a difference to ensure our communities flourish and thrive.



Worcester Tercentennial



El Buen Samaritano Food Program, Inc. Worcester



Jacob Hiatt Magnet School



Pancreatic Cancer Alliance





Main Office

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 (508) 890-9090 (Español)

Branch Locations

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 (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)

Social Media

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



Bay State
Savings Bank 

Member FDIC  Member DIF  LEADER **We take banking personally.**

Visit [baystatesavingsbank.com](https://www.baystatesavingsbank.com)

