



2020 ANNUAL REPORT

A Message From Our President and Chief Executive Officer

When I took the helm as CEO of Savers Bank in early 2020, it soon became evident that we were about to experience an unprecedented challenge for our company, our Commonwealth and our country. What I have seen and experienced as a part of the incredible team at Savers Bank since then has been both impressive and inspiring.

Our employees have been able to adapt, persevere, be resourceful and ultimately thrive, despite the economic and health challenges we all faced. Throughout 2020, in the midst of a hectic pace of change in both behaviors and expectations, we took the opportunity to reaffirm our customer relationships through technology and new cultural norms. I am proud of our pandemic response, which included installing UV air purification systems at all locations, as we kept everyone's health and safety top of mind.

Being firmly rooted in our communities was evidenced through countless volunteer hours, our proactive response to the SBA Paycheck Protection Program, modifications of loan terms and many other customer-focused initiatives. We implemented a business partnership with Alloy Labs and our anticipated core upgrade will lay the framework for more technological advancements with customer needs in mind. Our recent branch transformation in Sturbridge lends itself to a more inviting and consultative approach to banking.

Our Capital Ratio remains incredibly strong at 10.55%. The Bank's interest rate risk profile and liquidity are well positioned for continued growth and long-term success. I'm also happy to report that, despite a challenging interest rate environment that pressured net interest income, Savers Bank ended 2020 by exceeding Net Income budget expectations by \$576 thousand. The Bank had exceptionally strong results in mortgage and commercial banking as gross originations for the year totaled \$70.1 million in residential loans and \$89.2 million in commercial loans. Balance sheet growth was supported with an increase in deposits totaling \$60.4 million.

What we have now is a solid foundation of fiscal strength and employee resiliency and responsiveness that will serve us well as we launch into the next period of transition and growth. In 2020 we were all asked to adapt to support our customers and our community and I can confidently say that Savers Bank responded with commitment, energy and positivity. I could not be prouder of our team and our company.

Warmly,



Rosemary Picard, CEO

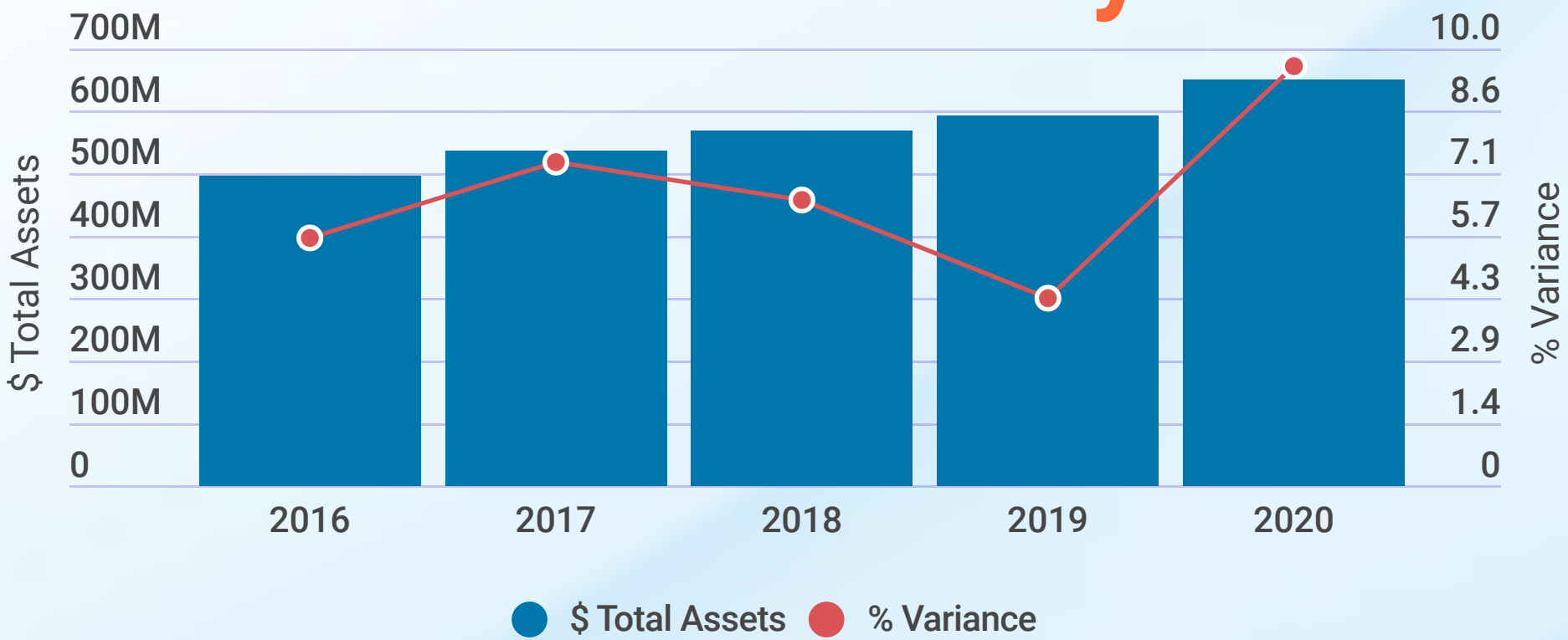


Financial Highlights

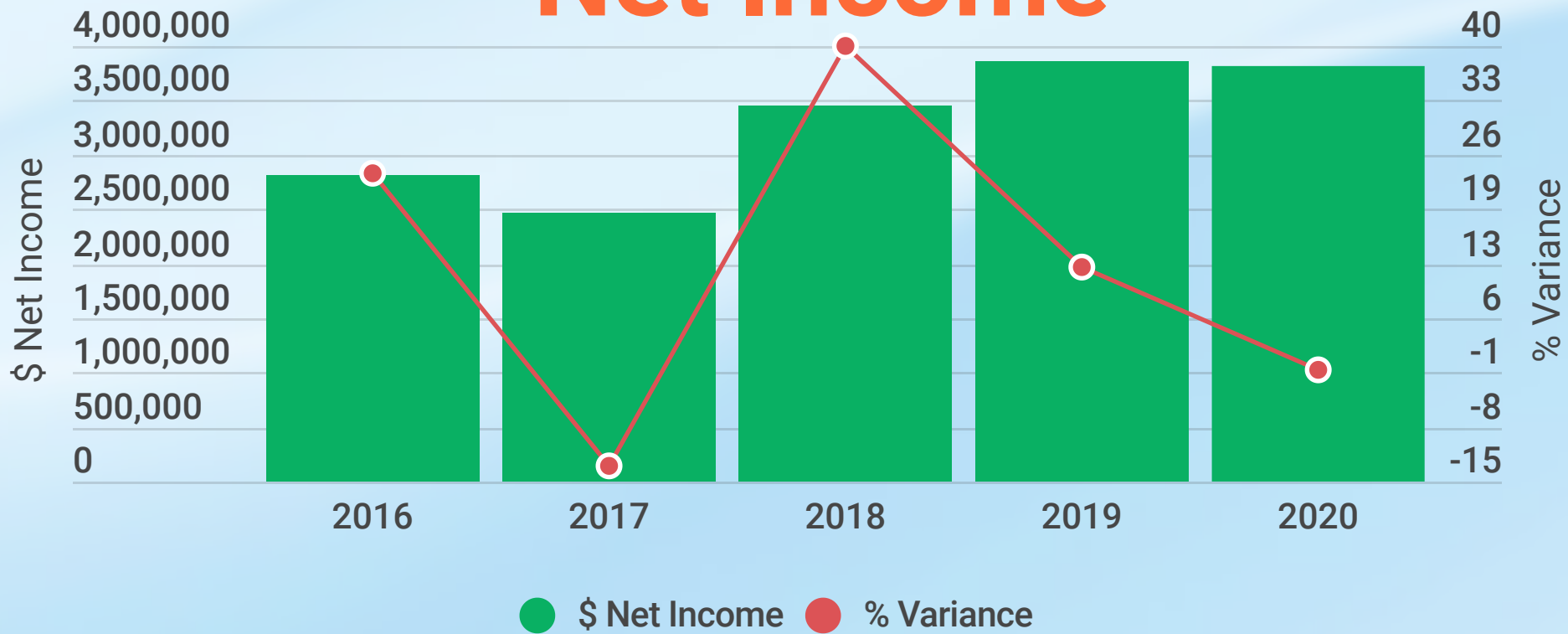
Savers Bank ended 2020 with a strong financial performance. Over the past five years total assets have grown by over \$150 million closing our year-end balance sheet at \$650.8 million. Year over year growth totaled \$56.8 million which represents a 9.56% increase over 2019.

Net income totaled \$3.8 million which remained comparative to 2019 despite a challenging interest rate environment. The Bank was able to offset interest margin compression by selling \$22.6 million in residential mortgages to the secondary market resulting in net one-time gains on sales of \$992 thousand.

Asset History

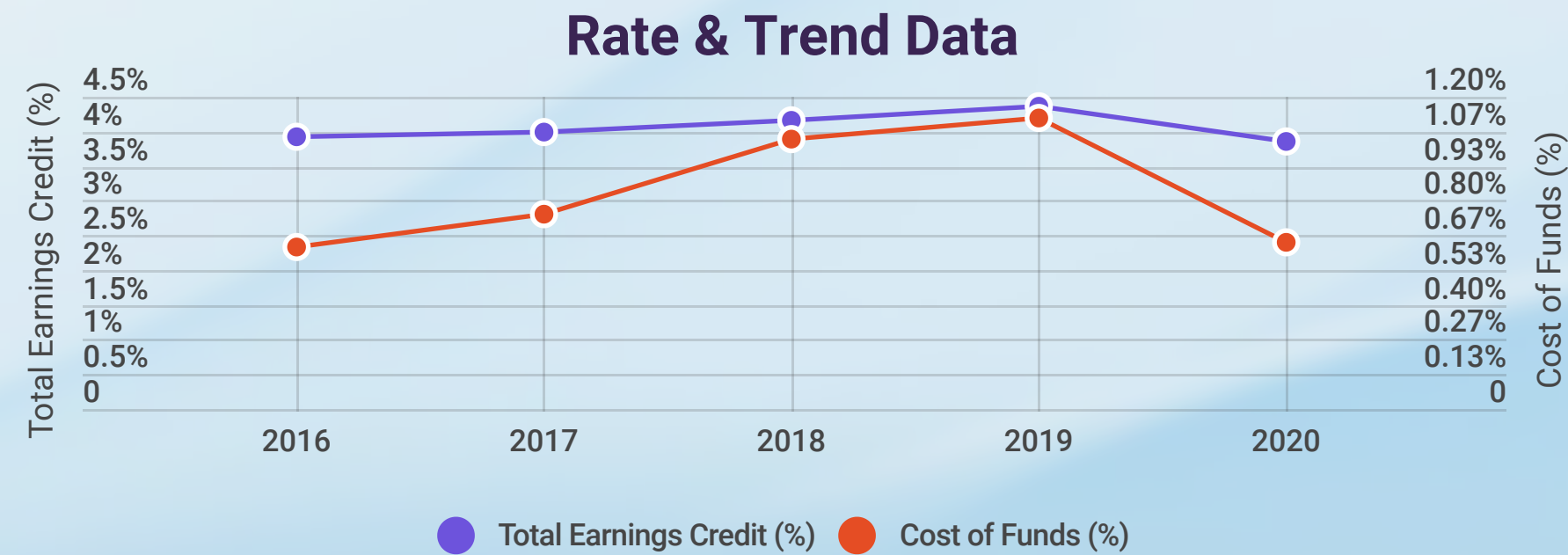
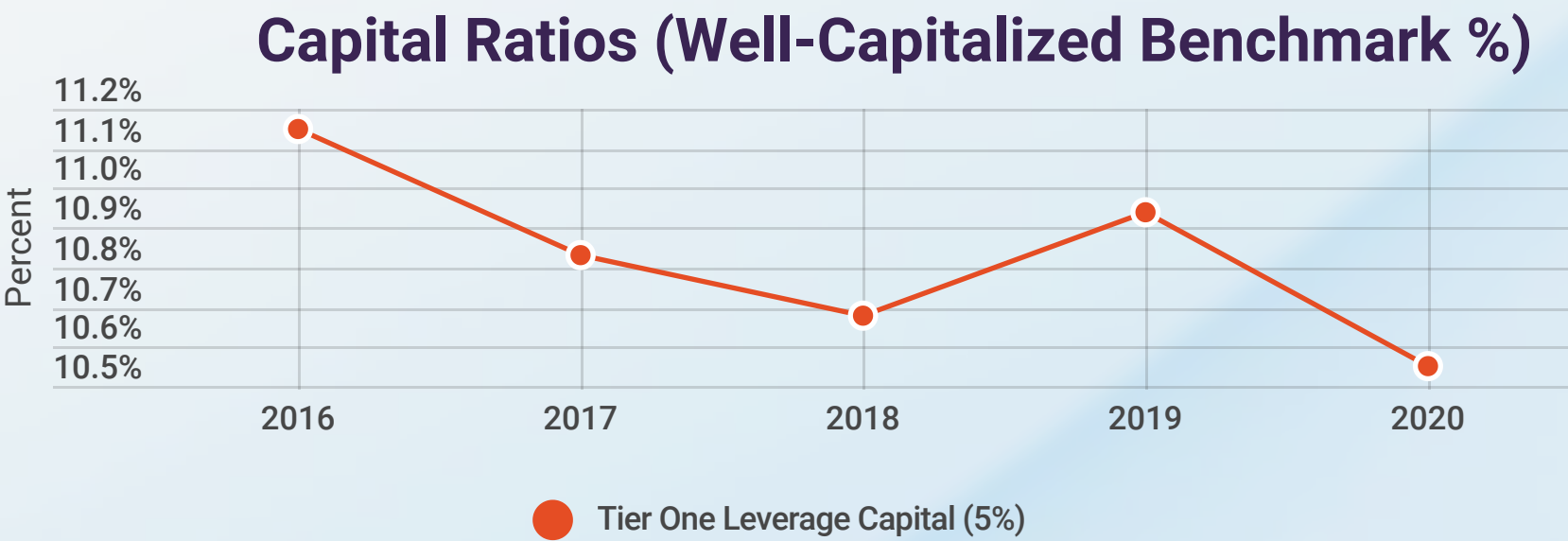
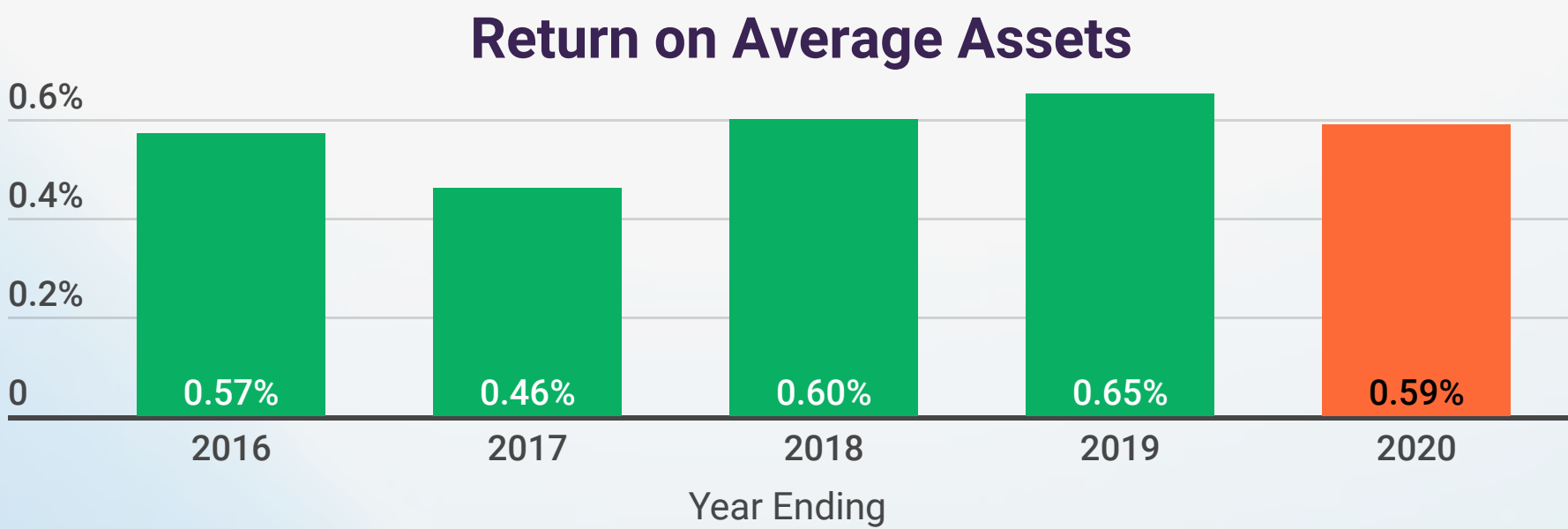


Net Income



Key Financial Ratios

Performance Ratios

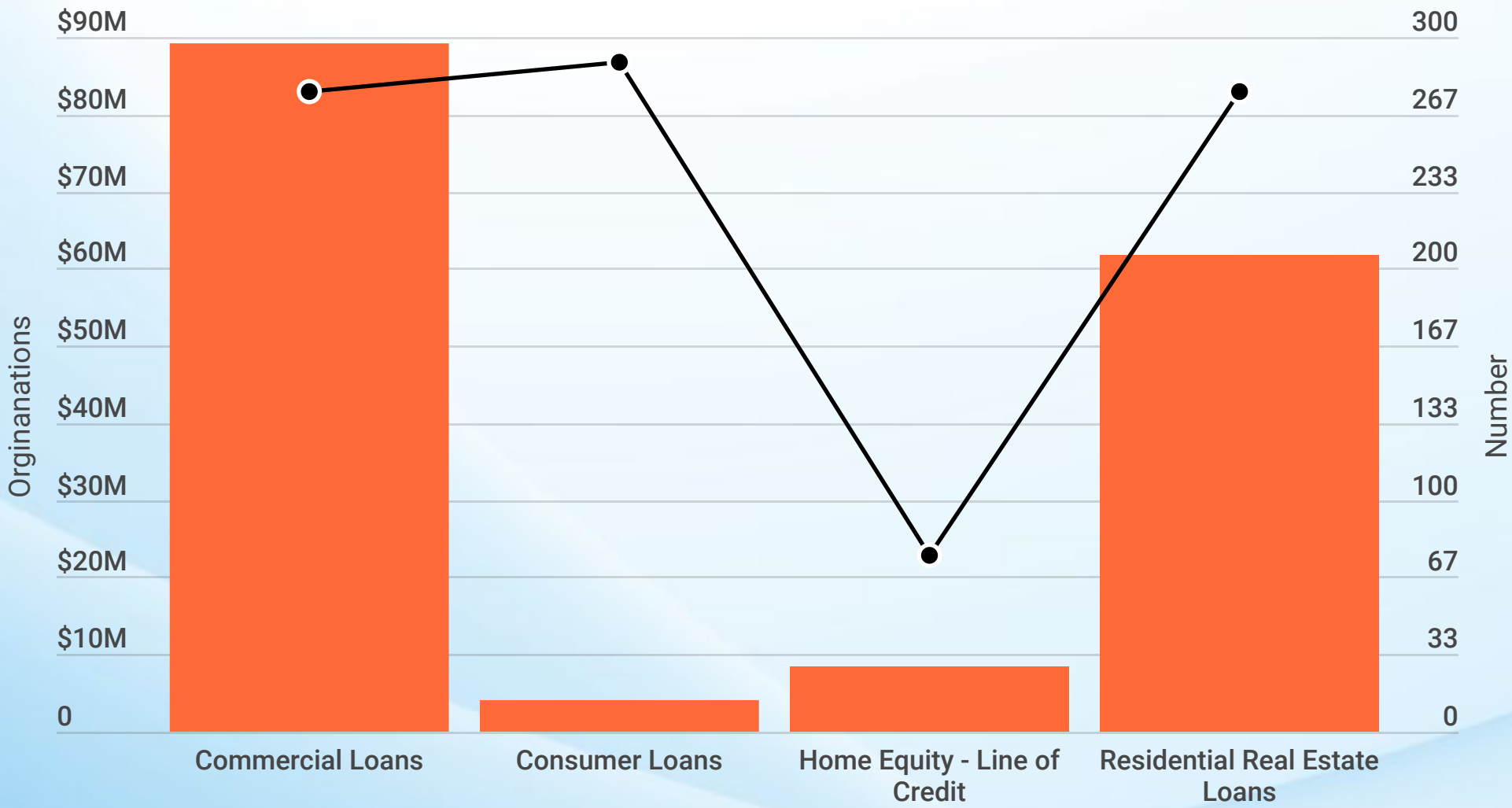


Credit Quality Data

	2016	2017	2018	2019	2020
Total Past Due & Non-Accrual/Gross Loans	2.18%	1.48%	1.24%	1.20%	2.13%
Total 90+ Days Past Due & Nonaccrual/ Gross Loans	1.51%	0.96%	0.54%	0.44%	0.53%
ALLL / Gross Loans	0.90%	0.91%	0.88%	0.93%	1.00%
Classified	\$8,160,951	\$6,395,246	\$5,369,738	\$4,488,850	\$4,849,975
Classified / Capital Ratio	14.80%	11.12%	8.84%	6.86%	6.95%

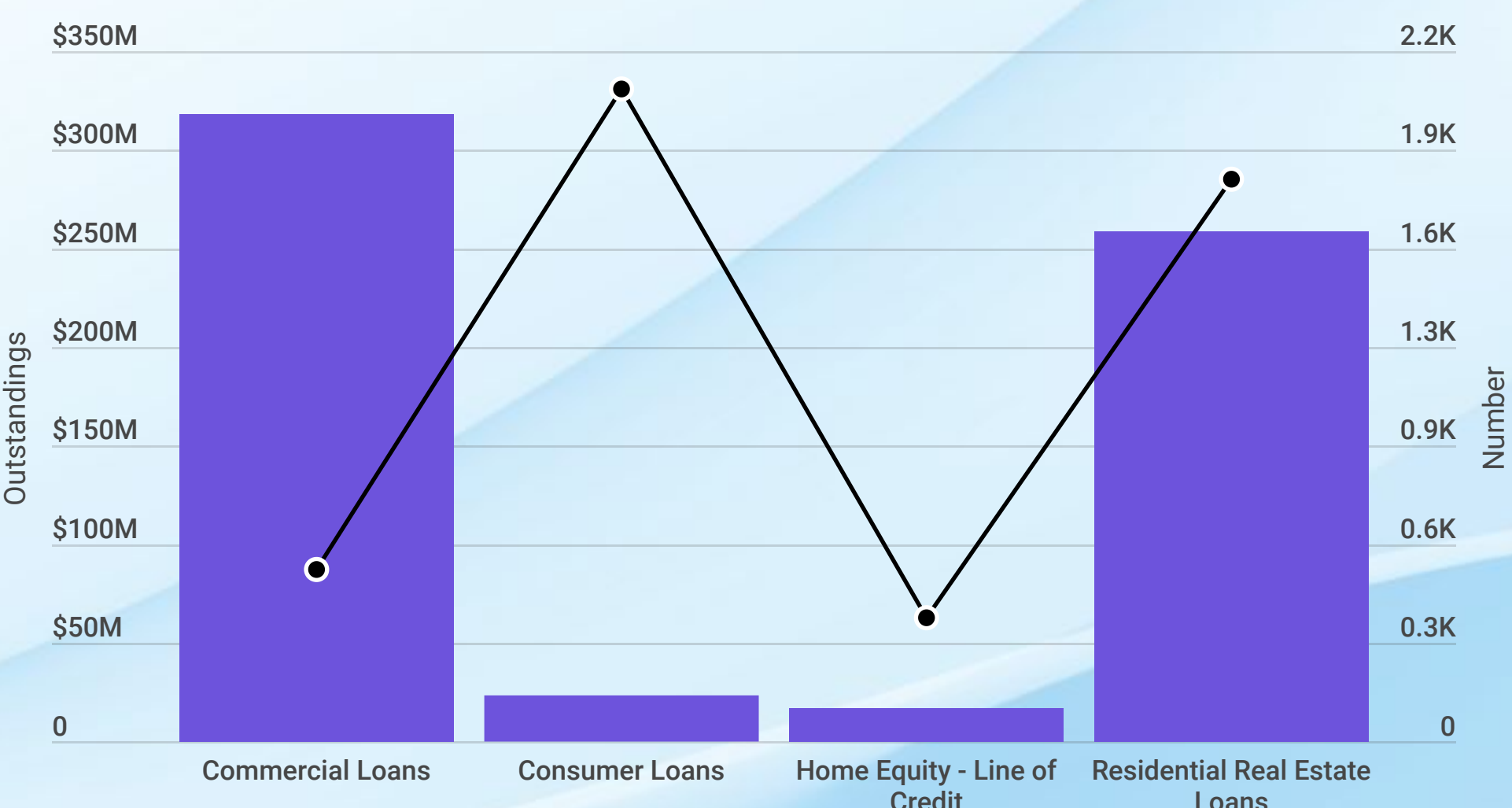
2020 Loan Production

New Fundings



2020 continued to see solid commercial loan growth even in a challenging year with uncertainty that comes with the unknowns associated with the impacts of a pandemic. \$89.2 million in new commercial loan originations were generated. Residential Mortgage was fueled by attractive refi rates as well as the demand for new home purchases.

Portfolio Outstandings



Savers Bank was committed to helping businesses during the Covid-19 pandemic through the SBA PPP loan program and FHLB Grant program. Most of the assistance centered around the smaller entities that service the local communities that we reside in.

Savers Bank has helped people become first time home owners through our First Time Home Buyer Program. 24 first time home buyers realized their dream of home ownership with the help of our experienced and caring mortgage lending team.

Supporting Businesses

● Paycheck Protection Program (PPP)

✓ 203
Number of Loans Provided

\$ 16,016,170
Total Originations

👤 1,980
Employees Supported

● FHLB Grant Program/PPP Loans

Savers Bank is always looking for ways to help our local businesses. That is why we immediately set out to help do our part for the Paycheck Protection Loan program. We also participated in the Federal Home Loan Bank of Boston Jobs For New England Recovery Grant for businesses that were negatively impacted by the Covid-19 pandemic. Savers Bank awarded 14 grants to local businesses as part of the \$100,000 grant award program.

Testimonials

Simply Beautiful Skincare

“OMG!! I am so grateful. I am beyond words...
And if you knew me, that's saying a ton!
Thank you thank you thank you.
I am in complete and utter awe"! Thank you from
the bottom of my heart!"

Jennifer Carlson
Owner

Kidsborough

“That is fantastic news!
Thank you so much!”

Christeen Rohwer
Owner

Branch Deposit Balances



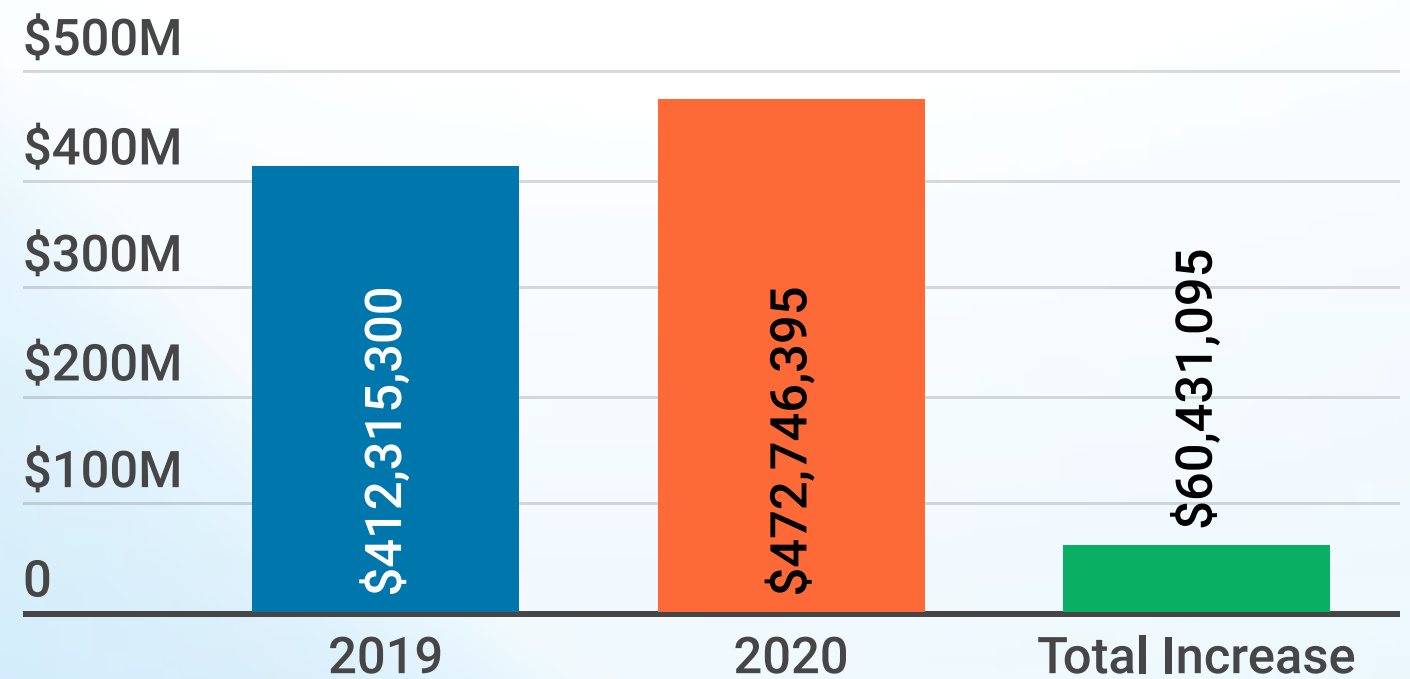
The pandemic and low interest rate environment had consumers and businesses seeking a flight to safety.

Our history of being a strong bank dating back to 1910 along with dual insurance and receiving a 5 Star Bauer Financial rating for 8 consecutive years provided the security our customers were seeking resulting in good deposit growth for the Bank.

Auburn and Southbridge have exceeded or maintained over \$100 million in branch deposits. Uxbridge is anticipated to exceed \$100 million in 2021.

Deposit Growth

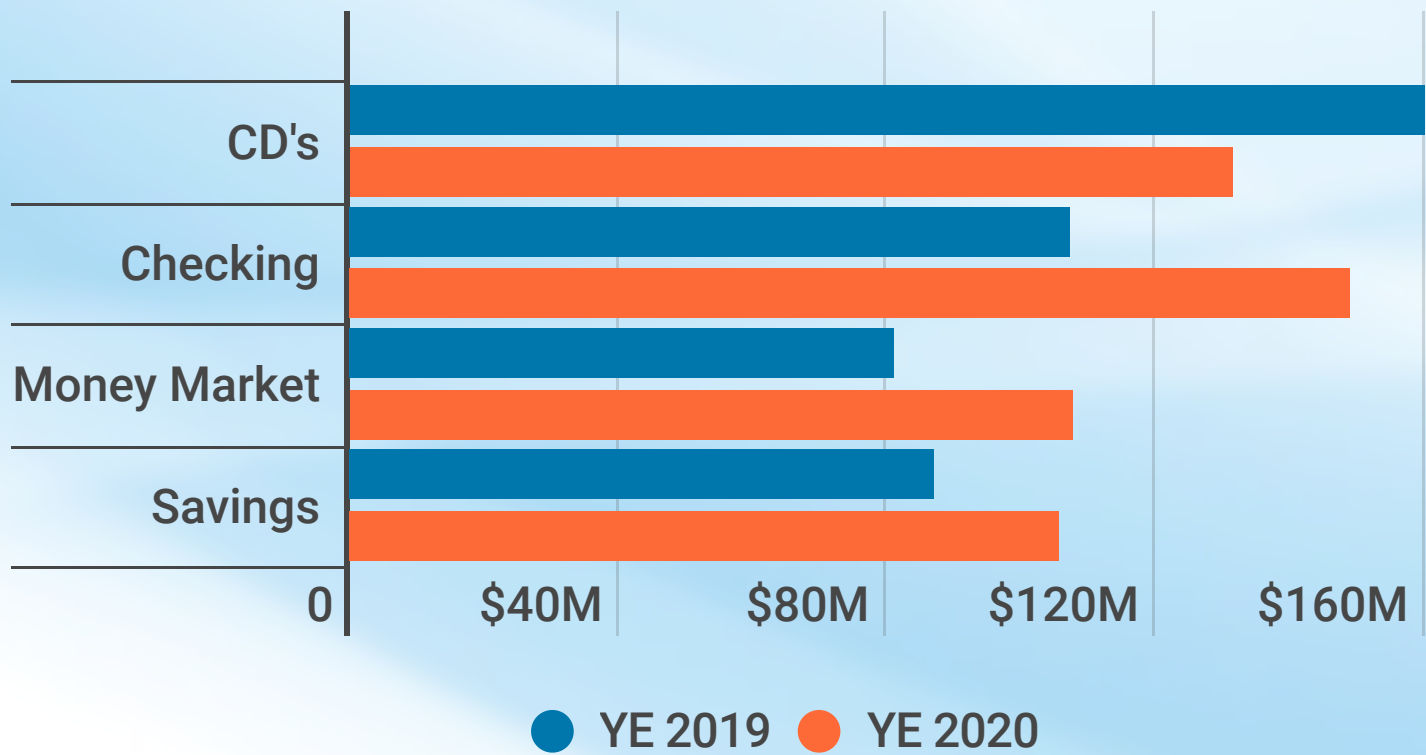
Total Deposits



Total Bank deposits grew by \$60.4 million primarily in our liquid products. We have seen a migration from long term CD investments to shorter terms and liquid products as many are waiting out the future of the economy and the direction of interest rates.

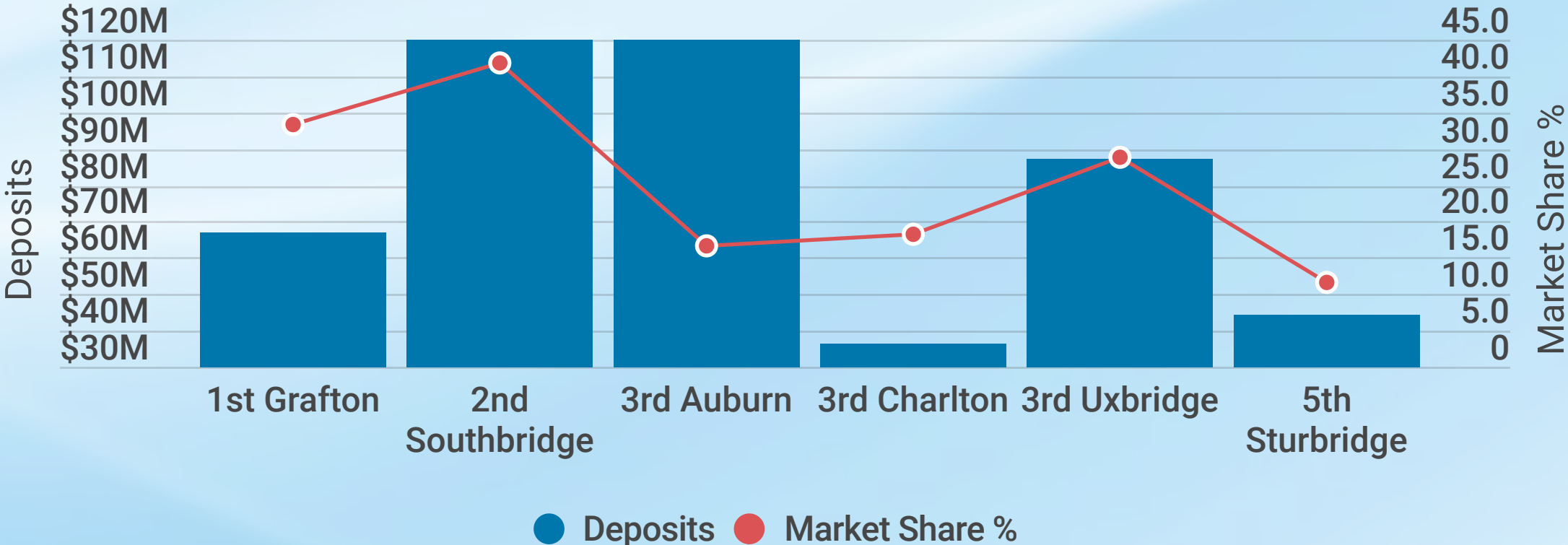
Consumer and business checking and savings account balances were up primarily due to business closures and consumers staying home as a result of the pandemic and lack of venues to spend money. Stimulus payments and funds received from the Paycheck Protection Program also contributed to the balance increase.

Deposit Composition



Deposit Market Share Ranking

FDIC Data as of June 2020

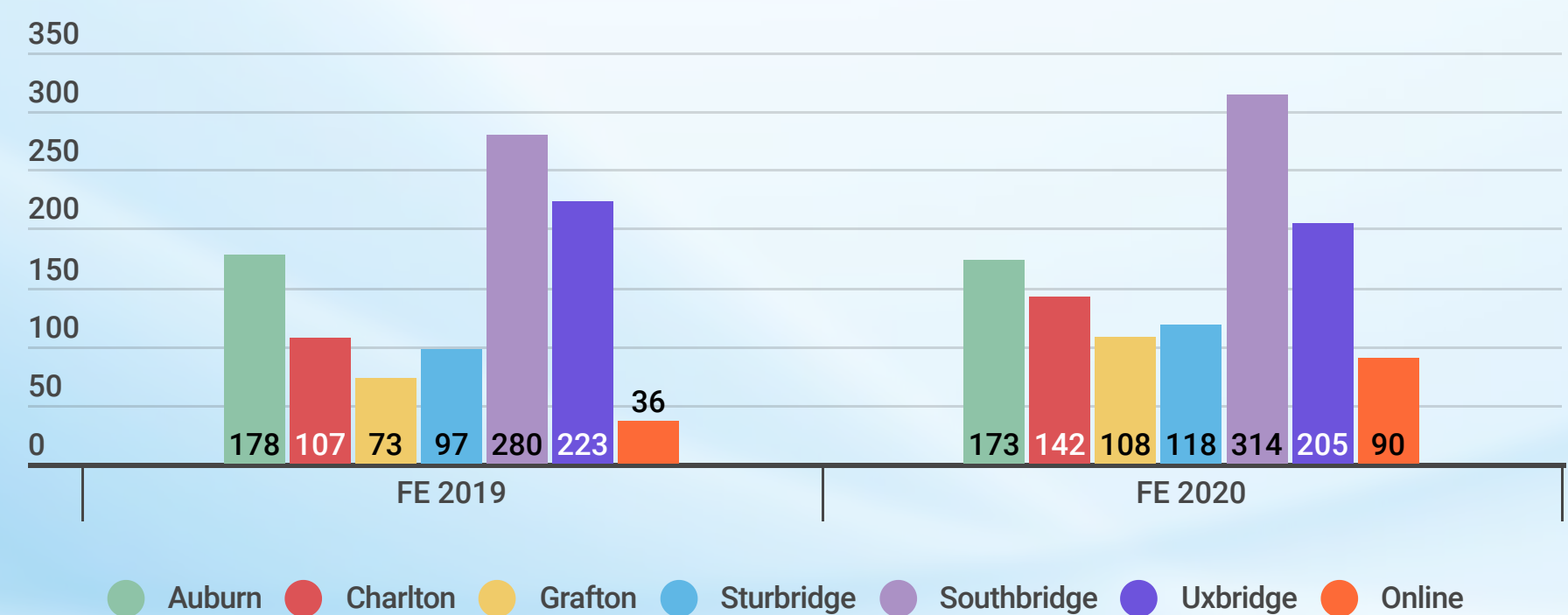


New Checking Accounts

Personal Checking



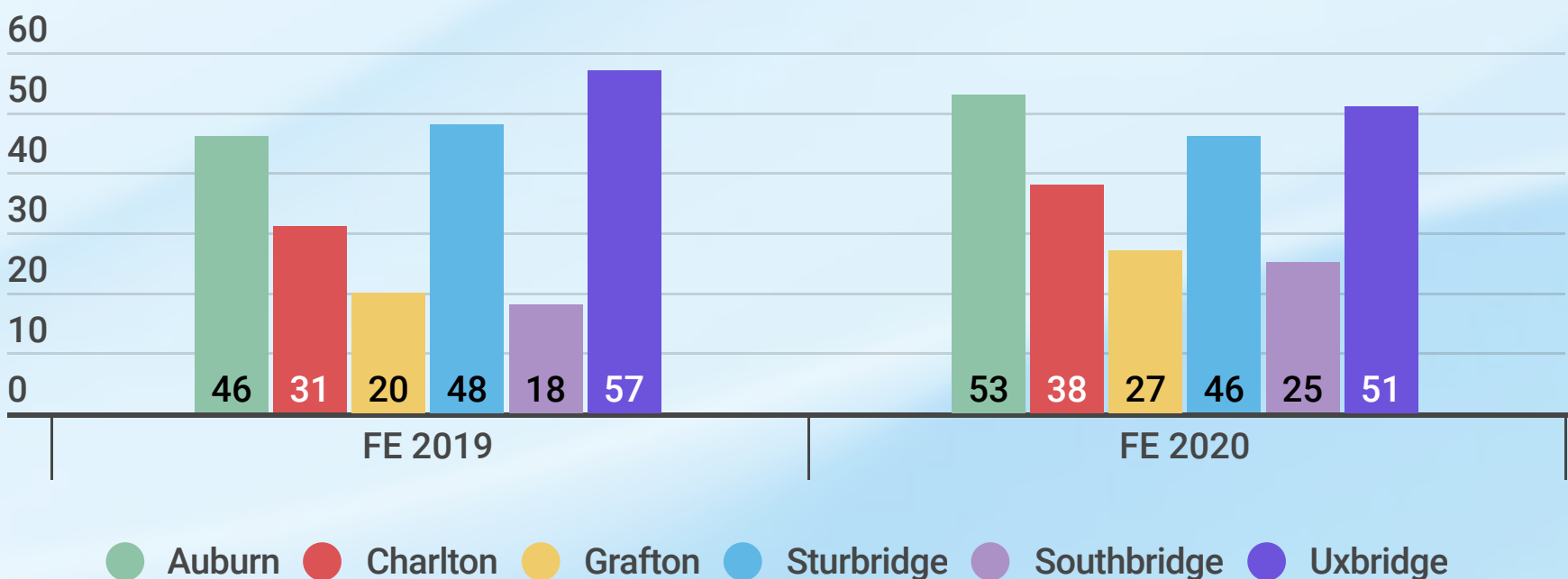
15.7% Increase in Total Personal Checking Opened



Business Checking



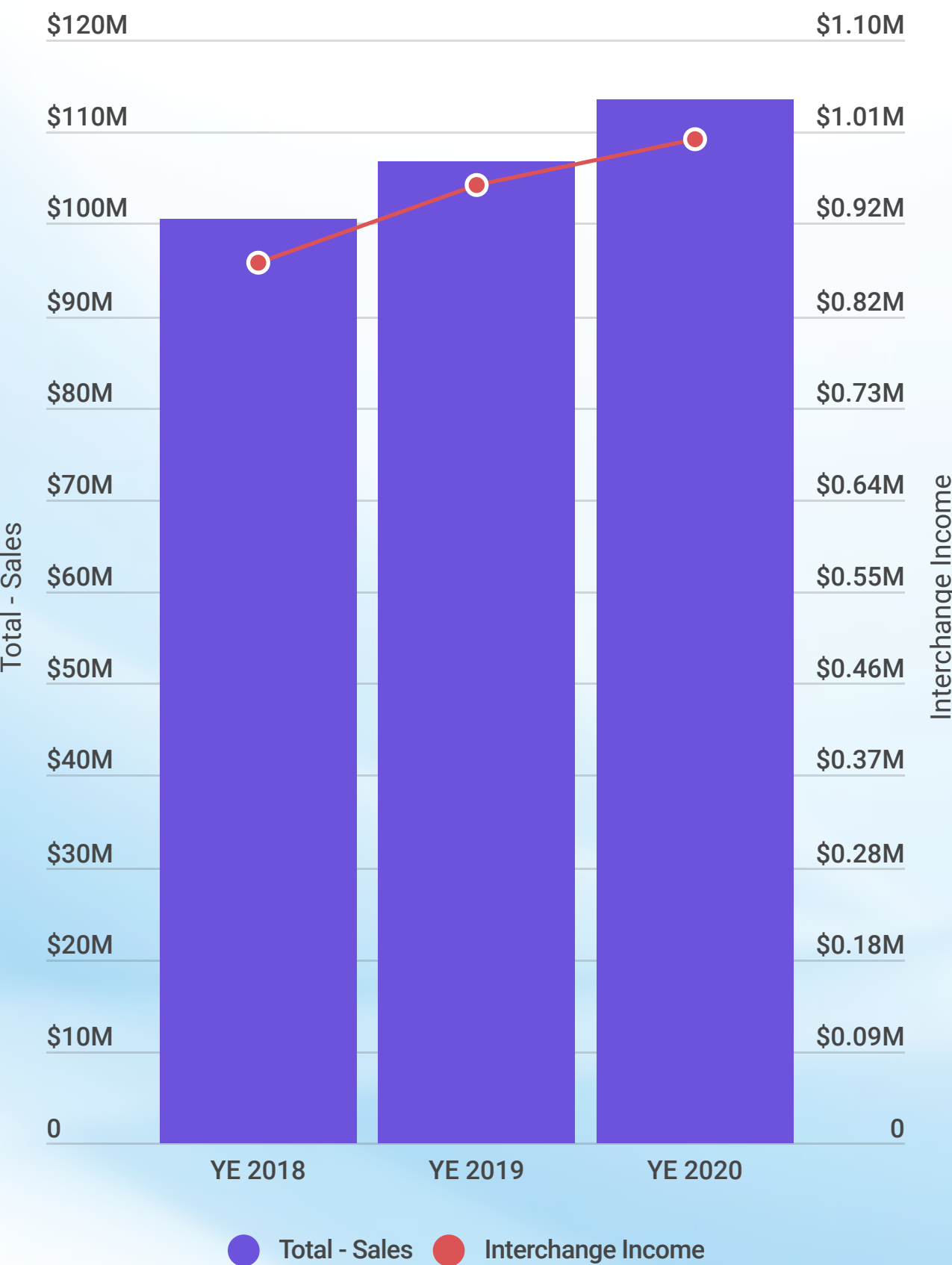
9.1% Increase in Total Business Checking Opened



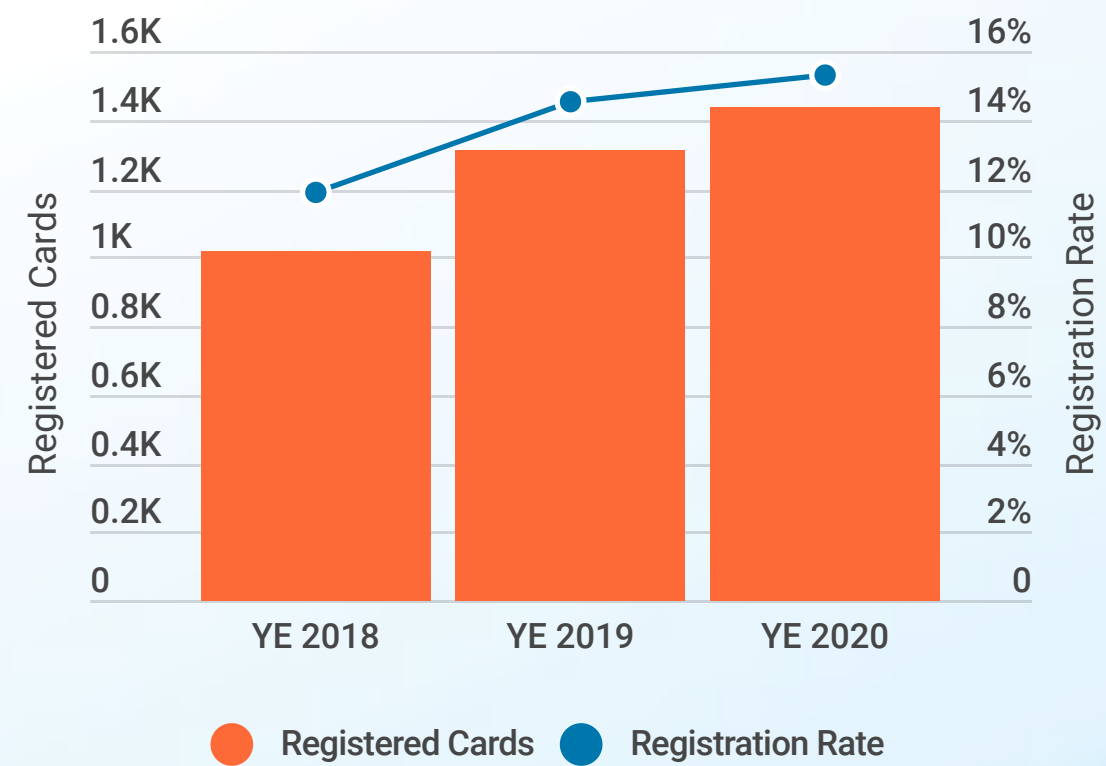
At Savers Bank we value our long standing customer relationships while at the same time recognize our need to aquire new and younger customers to the Bank. Marketing efforts have centered around connecting with this segement. Over 40% of the total personal checking accounts opened were new to the Bank and 45% of them were a combination of GEN X and GEN Y. GEN Y which are those aged 24-40 were the highest growing group with 167 new relationships added to the Bank.

Debit Card Reward Program

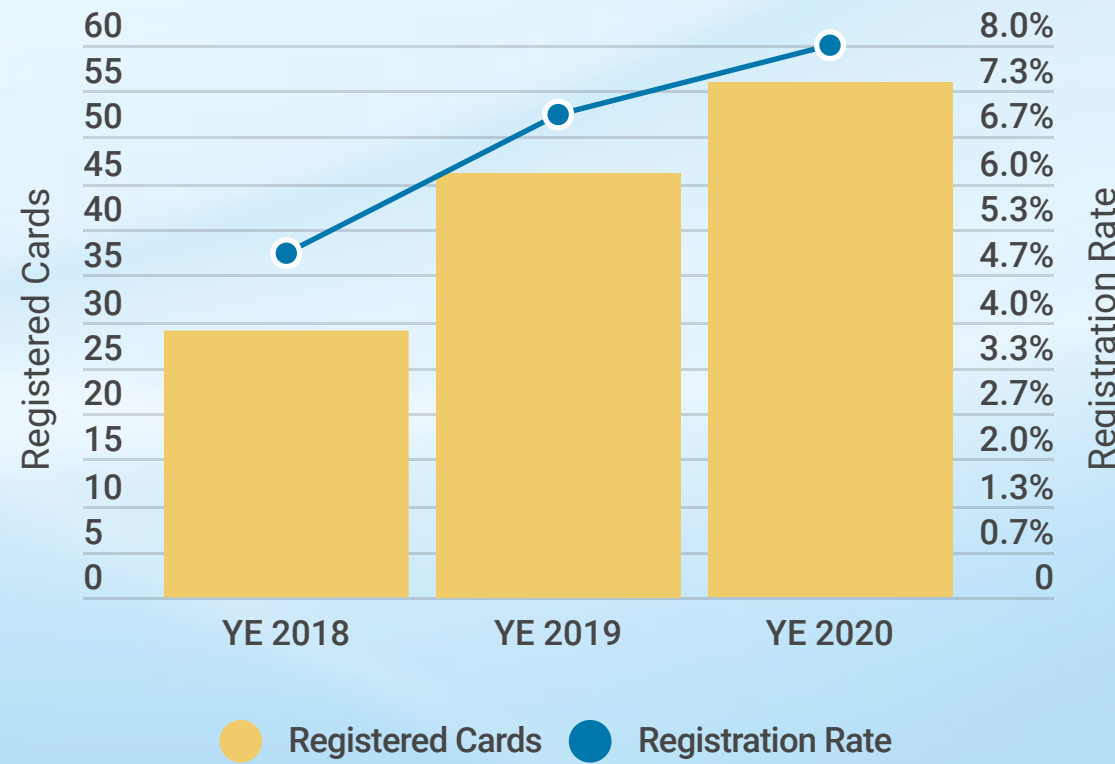
Debit Card Sales & Interchange Income



uChoose Consumer Registration



uChoose Business Registration



Our Debit Card Rewards program is designed to help drive interchange by rewarding both consumer and business customers with points to use towards merchandise, gift cards, cash back options and more. We continue to see interest gaining in the uChoose Rewards program with increases in enrollment since our introduction. The interchange received helps us provide this reward program that offers added value to their checking account relationship.

Monthly interchange has been hovering around \$90 thousand per month post April 2020. Both consumer and business debit card usage contribute to total interchange however, business transactions generate higher fee income and remains a focus of growth for the Bank.

Sponsorships



\$5,000

Harrington Hospital



\$10,000

United Way Employee Match



\$10,000

Tri-Community Family YMCA



\$10,000

Various food pantries and shelter initiatives



\$15,000

Academic Programs



\$15,000

Youth and Family Services



\$5,000

ADA related donations



\$5,000

Donations to assist community residents

Over \$100,000 in sponsorships was awarded to 25 non-profits in 2020 ranging from Health to Educational needs.

Our commitment to support the communities we serve is part of the essence of Savers Bank. We are continually looking for ways to best serve our non-profits across our market area. We proudly support our community non-profits with both monetary sponsorships and through employee volunteerism. 2020 was a year that many people served by these non-profits were in need and Savers Bank and our employees did not disappoint them. Our employees volunteer over 500 hours a year working with Meals on Wheels and various school and community out-reach programs. Many employees hold board seats to offer their professional services.

Today, customers demand faster, easier, and multi-channel access to financial services any time, any where, and any place that is convenient for them. *At Savers Bank we are doing our part to make that happen.*

Innovation



Innovating in 2020 to seek out ways to meet and exceed our customer's expectations was part of our strategic initiatives to make it happen. 2020 and beyond focus on how we can deliver on this expectation through various infrastructure improvements, collaborative partnerships, and technology improvements to be a leader among community banks that can compete with big bank customer delivery and experiences.

Key Innovations 2020



Business Online Banking Refresh

Updated with added features to improve the business banking online experience.



Mobile Deposit Banking Improvement

Increased mobile deposit limits to accommodate remote banking options.



New Core Provider

The new COCC Insight Core that will go live on April 11, 2022. This core will allow Savers Bank to deliver easier, faster, and multi-channel delivery options to our customers. While also improving our total bank infrastructure to deliver on our Simply Better brand.



Currency Movement

Projects are in process to improve person to person payment options, improved customized instant issue debit cards and contactless debit card payment option.



IT Infrastructure Up-Grade

Introduced a new Email Security Solution, migrated to Microsoft Office 365, Installed new IT ticketing system and IT support for the newly renovated Sturbridge Branch. Established 31 Remote User Setups in support of the influx of users working from home due to the Covid-19 restrictions. Support of the PPP Loan process (RCGiltner Portal) including the RPA Solution support. Utilization of bots for improved efficiencies. Launched a new HR recruiting platform.



Enhanced customer contact

Increased SMS/MMS and Salesforce e-mail Journeys to customer's for marketing and engagement by communicating with customers in ways they prefer.



Savers Bank Home Page Refresh and TV Commercials

Updated our website for a clean and modern look and to provide easier access to content through quick reference links. Also, added additional product and promotion space for prominent awareness and educational use. Introduced two new multi media commercials.

Partnership



Savers Bank is a member of the Alloy Labs Alliance, a consortium of community and mid-sized banks that joined together to adopt technology more effectively and efficiently. The goal of the consortium is to quicken the pace of innovation, helping to level the playing field and enable institutions like Savers to compete against large, national players. Being part of the Alloy Labs Alliance will allow us to bring new innovations to the market quickly and efficiently.

The Transformation Begins



Our newly renovated Sturbridge branch completed in December of 2020, offers our customers and employees a vibrant banking environment.

Savers Bank Board of Directors



Rosemary Picard
President and Chief Executive Officer



Dr. Dewey J. Tiberii
Chairman of the Board



Patrick S. Morrill
Vice-Chairman of the Board

Meet our dedicated and experienced Board of Directors who guide Savers Bank in providing the best financial services to consumer and business customers. Our Board of Directors are uniquely diverse in their areas of expertise and together provide sound guidance for the Bank.



Paul Jalbert



Joseph Coderre



Amy Messina



Andrea Hogarth



Steven M. Ward



Bruce Desrosier



Daniel Finn



Ken Rizner



Matt Dixon



Michael Cove

