

2023

YEAR IN REVIEW

The logo for Savers Bank, featuring a stylized '@' symbol with a square inside, is positioned to the left of the text. The text 'Savers Bank' is in a bold, dark green serif font, and the tagline 'Simply Better.' is in a smaller, dark blue serif font below it.

Savers Bank
Simply Better.

A Message From Our President and Chief Executive Officer



It is hard to believe that another year has ended and a new year has begun. As I take some time to reflect on 2023, it gives me great pleasure to report on Savers Bank's strong year and share other exciting news about personnel developments, technical updates, and important community initiatives.

To begin with, we have some impressive stats about the strength of the bank, including:

- Our Total Assets grew 4.15% over last year, ending 2023 at \$718 million.
- Our Leverage Capital Ratio continues to be strong at 11.30%, which is well above regulatory minimums. Our Return on Assets of .63% was on target with budget expectations.
- Deposits are fully insured through FDIC and DIF.
- Savers Investment Services experienced its highest sales growth.

We currently have gross loan originations totaling over \$100 million, which equates to net loan growth of \$28 million for the year, even as 2023 proved to be one of the more challenging years in the mortgage industry. This was attributable to both higher interest rates and limited housing supply, resulting in the lack of inventory and fewer refinance opportunities.

We expect to manage the coming year by reacting to many factors outside of our control, like these real estate industry fluctuations. Other circumstances, such as compressing margins and economic and geopolitical uncertainty, may prove challenging to navigate, but our mutuality allows us to prioritize stability over profits. I am confident that the Savers Bank ethos and functionality are assets that will allow us to continue to thrive, no matter the environment.

2023 also found us continuing to invest in our communities, products, and services in a variety of ways. For example, the Board approved the renovation of our Charlton branch location, which demonstrates Savers long-term commitment to investing in our physical as well as technology footprints. Some of those tech improvements include Online Account Opening which we implemented last year. This allows new customers the ability to open consumer deposit accounts from the convenience of their own home. To compliment Apple Pay we also rolled out two additional Digital Wallets of Google Pay and Samsung Pay, which gives enhanced payment flexibility to our customers. Another neat addition to our customer amenity package are Custom Debit Cards. Customers are now able to proudly showcase what means most to them via their Savers Bank debit cards.

One of our most important new community investments is our launch of a formal Financial Literacy Program through Banzai. Our goal with this program is to increase the fiscal knowledge and confidence of our customers and community members and to partner with more local businesses and non-profits, expanding our reach and impact in the region. We also rolled out a free tuition rewards program called Sage Scholars, helping our customers fund one of the most important family investments: education.

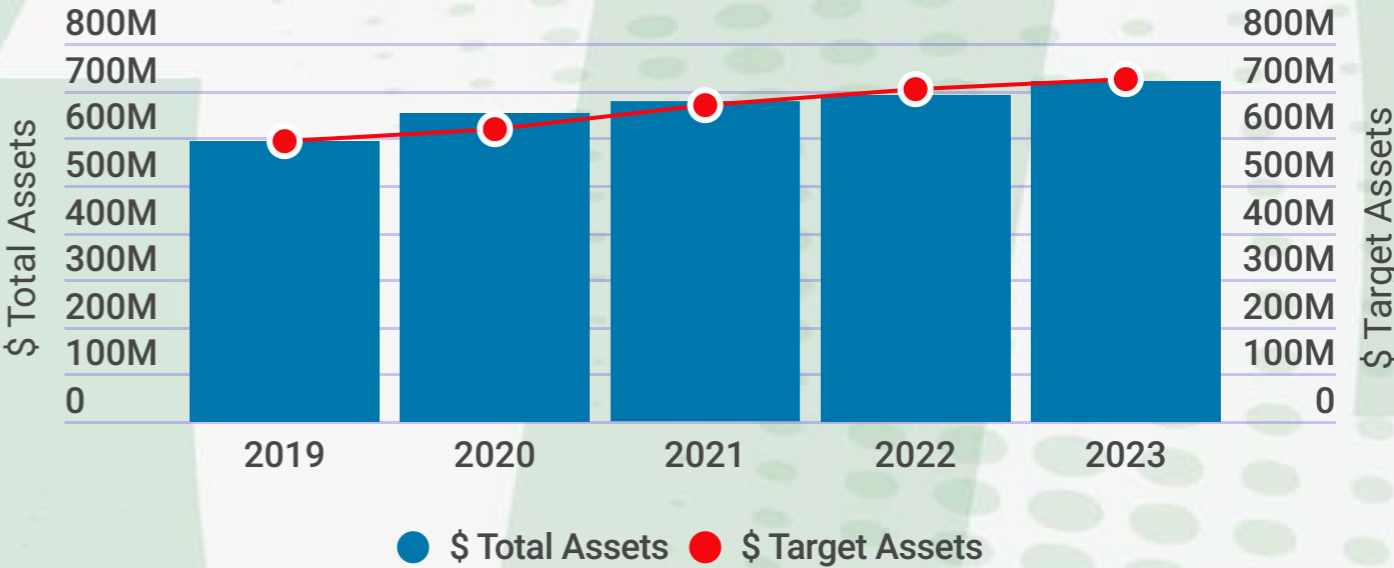
Commitment to the community is not just a management effort at Savers Bank. Our teams were in full force during 2023 participating in many different community events throughout our six branch locations. Our employees gave over 500 hours of their time to volunteer efforts throughout the year, and I am incredibly proud of their activism and care. I am especially thrilled to report that 2023 held our highest United Way Employee and Board Match Campaign to date.

Last but certainly not least, I want to honor Paul Jalbert, who will be retiring in April 2024 from our Board of Directors after five decades of illustrious service with Savers Bank. Formerly our CEO, Paul was employed for 37 years, and then continued on our Board as Director for an additional 13 years. I know Paul was incredibly grateful for having the opportunity to serve our employees, customers and communities for all this time, and I want to thank him for his leadership, support and dedication to the Savers Bank mission of being Simply Better.



Financial Highlights

Asset History



Savers Bank ended 2023 strong despite the challenges in the economic environment for financial institutions.

Total assets ended the 2023 year at \$718 million which represents a 4% increase over 2022, or \$28.5 million. The Bank has demonstrated steady growth over the past five years with total assets growing by 26%, or \$148 million.

Net income totaled \$4.59 million for 2023 which included some one-time income items and expense savings. This compensated for the margin compression, to allow for the bank to end the year with a strong return on assets of .63%. The 2022 net income also included some large one-time adjustments to non-interest income that contributed to the \$610 thousand lower net income in 2023 compared to 2022.

The Bank ended the 2023 year with a 2.72% net interest margin as compared to 3.14% in 2022. The Bank continues to maintain a Strong Leverage Capital ratio, exceeding both regulatory Capital as well as the Community Bank Leverage Ratio minimums.

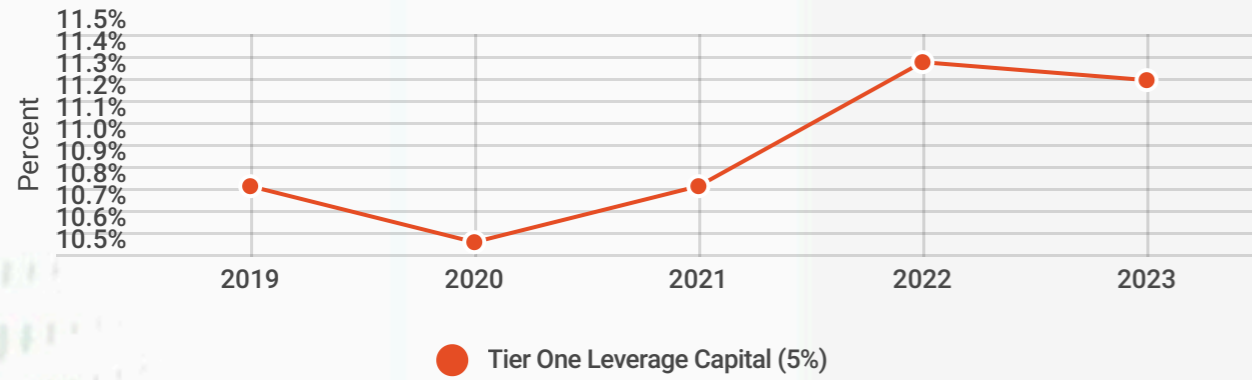
Net Income



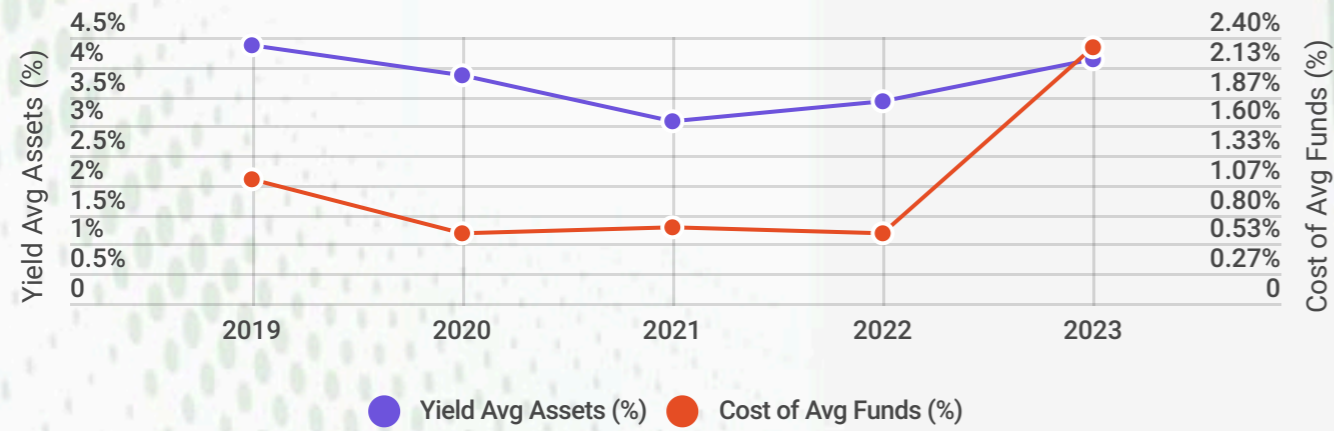
Key Financial Ratios

Performance Ratios

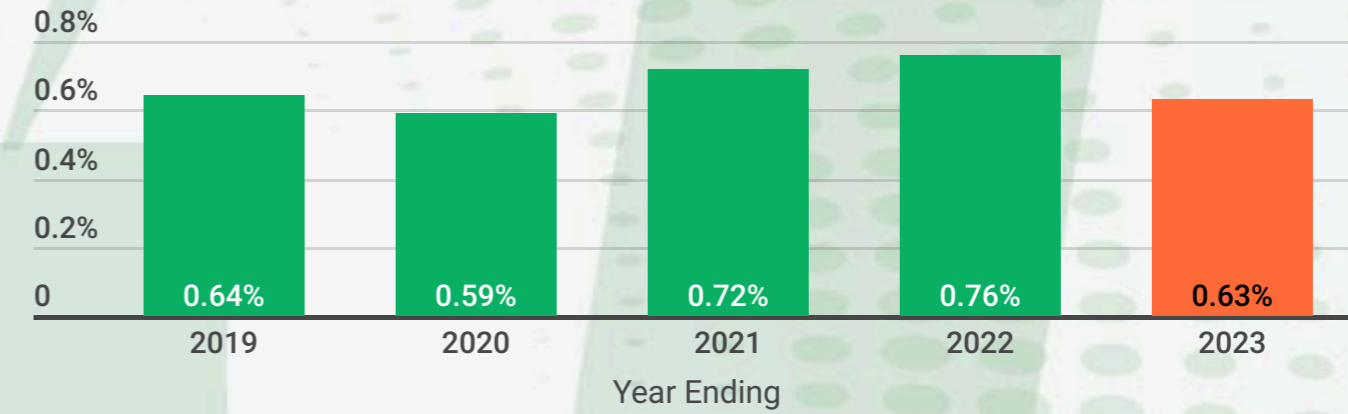
Leverage Capital Ratio (well-capitalized 5%)



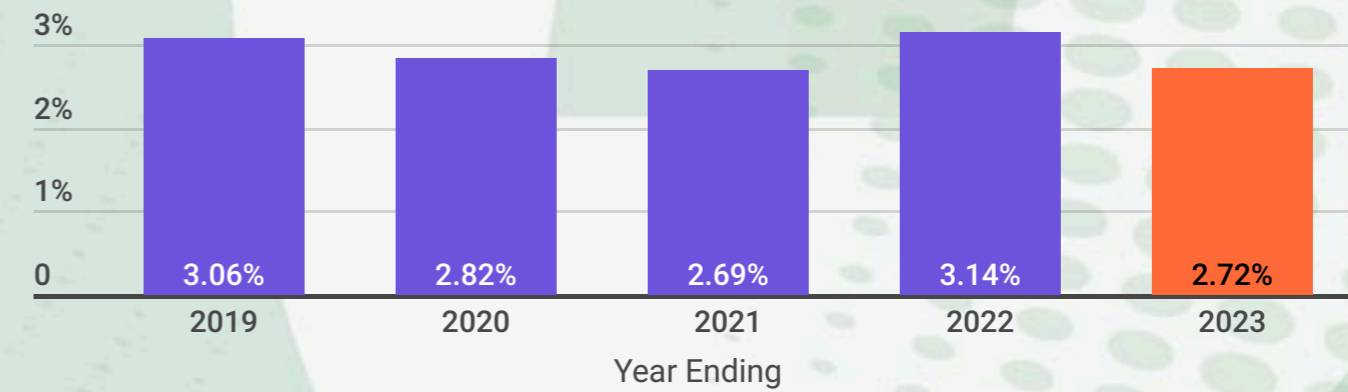
Rate & Trend Data



Return on Average Assets



Net Interest Margin

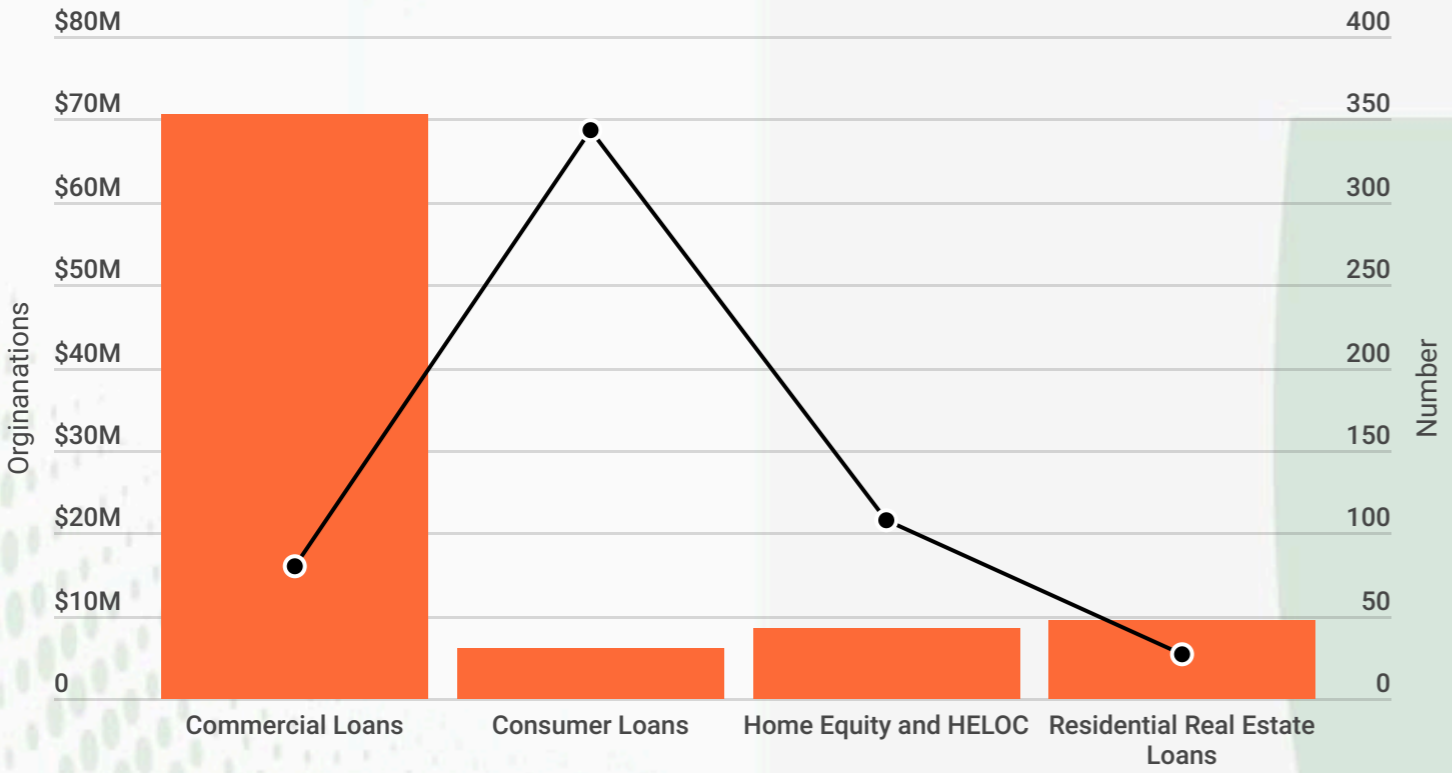


Credit Quality Data

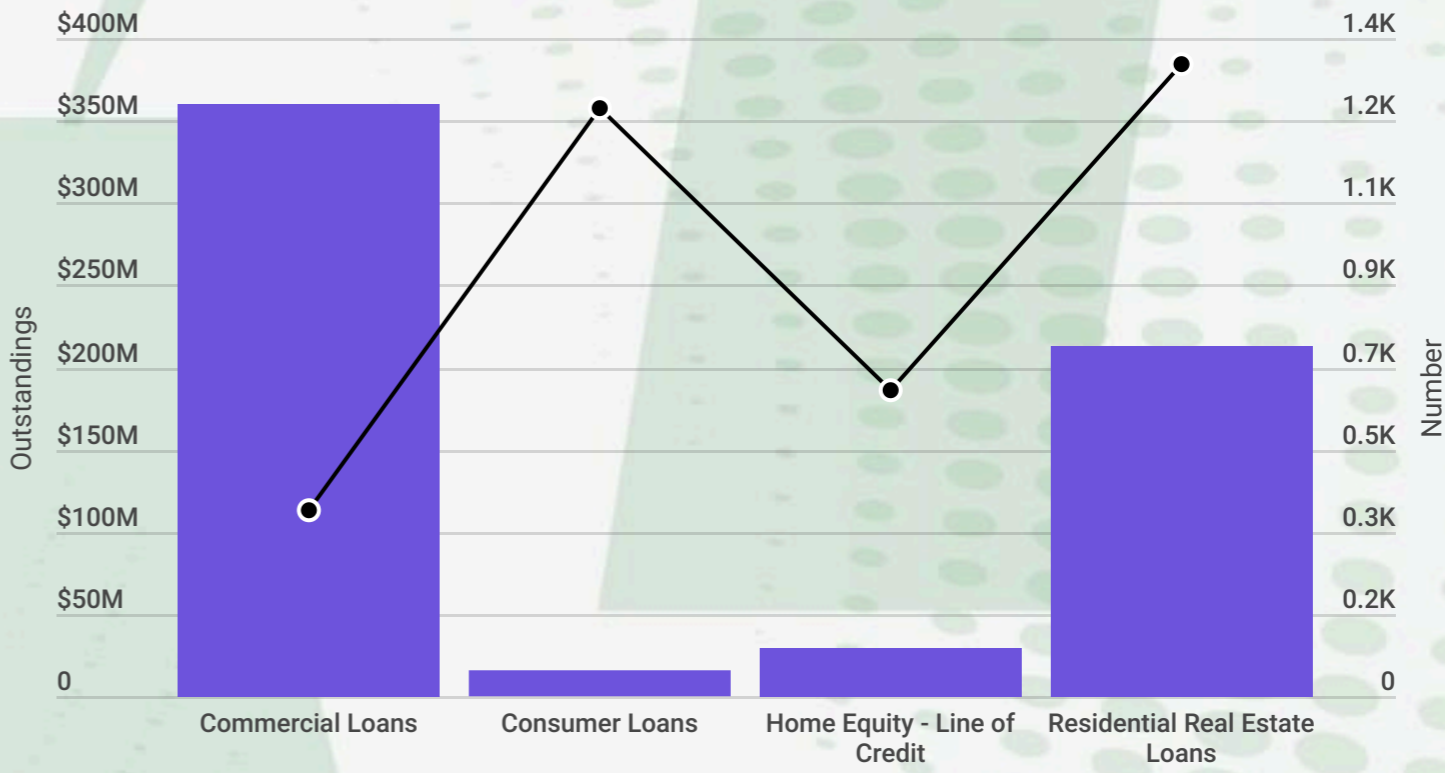
	2019	2020	2021	2022	2023
Total Past Due & Non-Accrual/Gross Loans	1.17%	2.21%	1.19%	1.38%	1.39%
Total 90+ Past Due and Nonaccrual/Gross	0.44%	0.62%	0.42%	0.62%	0.60%
ALL/Gross Loans	0.93%	1.00%	1.09%	1.07%	0.93%
Classified	\$ 4,488,850	\$ 4,849,975	\$ 3,880,436	\$ 6,232,202	\$ 6,255,045
Classified / Capital Ratio	6.86%	6.95%	5.26%	9.21%	8.59%

2023 Loan Production

New Fundings



Portfolio Outstandings

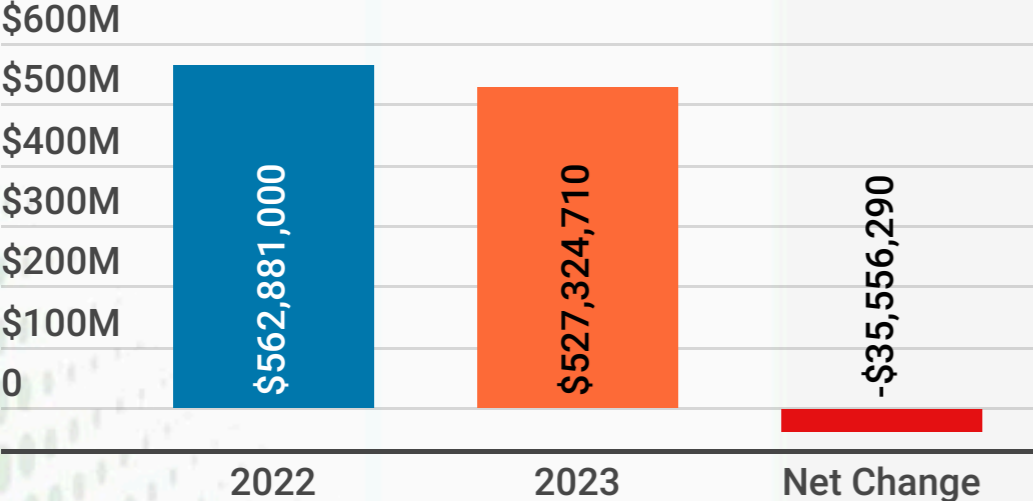


2023 was another great year for Gross Commercial loan originations! Commercial Loan Growth for the year was \$70.6 million. Residential lending had a solid year with \$18 million in total originations in a very difficult lending environment. Savers Bank has an expert team of commercial lenders that is supported by a talented team of underwriters, commercial credit analysts, and loan servicing personnel.

Collectively, they all contributed to make this record year possible. Savers Bank mortgage continues to offer a variety of programs such as First Time Homebuyer, Flexible Construction Loans and FHLB grant offerings. We are here to offer consumers a wide range of financing solutions that will help meet their lending needs.

Deposit Growth

Total Deposits

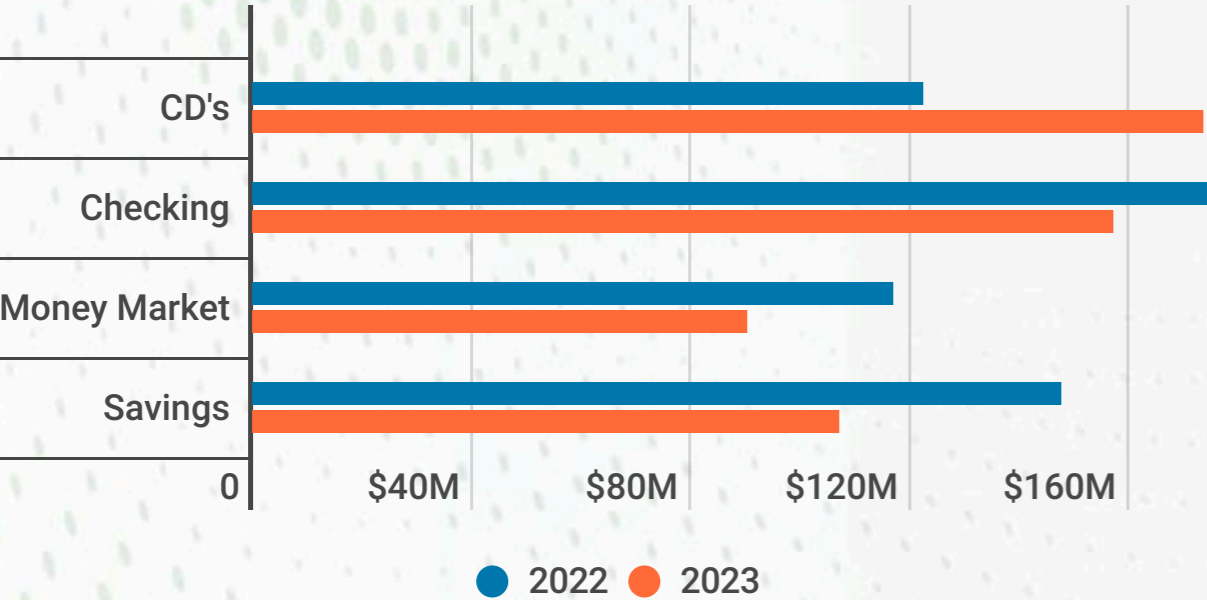


2023 saw a decline in overall deposits due to the economic environment, businesses and consumers accessing their cash and competitor pressures for similar CD pricing. Our ULTRA CD and MMA did well with retaining maturing CDs and our total CD balances continue to hold strong. Total deposits ended the year at \$527,324,710. Savers Bank continues to be competitively priced in the Certificate of Deposit market by offering our 7- & 11-month CD specials. These CDs were key in attracting new deposits and instrumental in retaining our maturing CDs.

Savers Bank has received another Five-Star Bauer Financial rating distinction with 113 consecutive quarters awarding the Bank with the “Best of Bauer” Five-Star distinction. Dual FDIC/DIF Insurance and this rating provide our customers with confidence in the Bank’s continued safety and soundness.

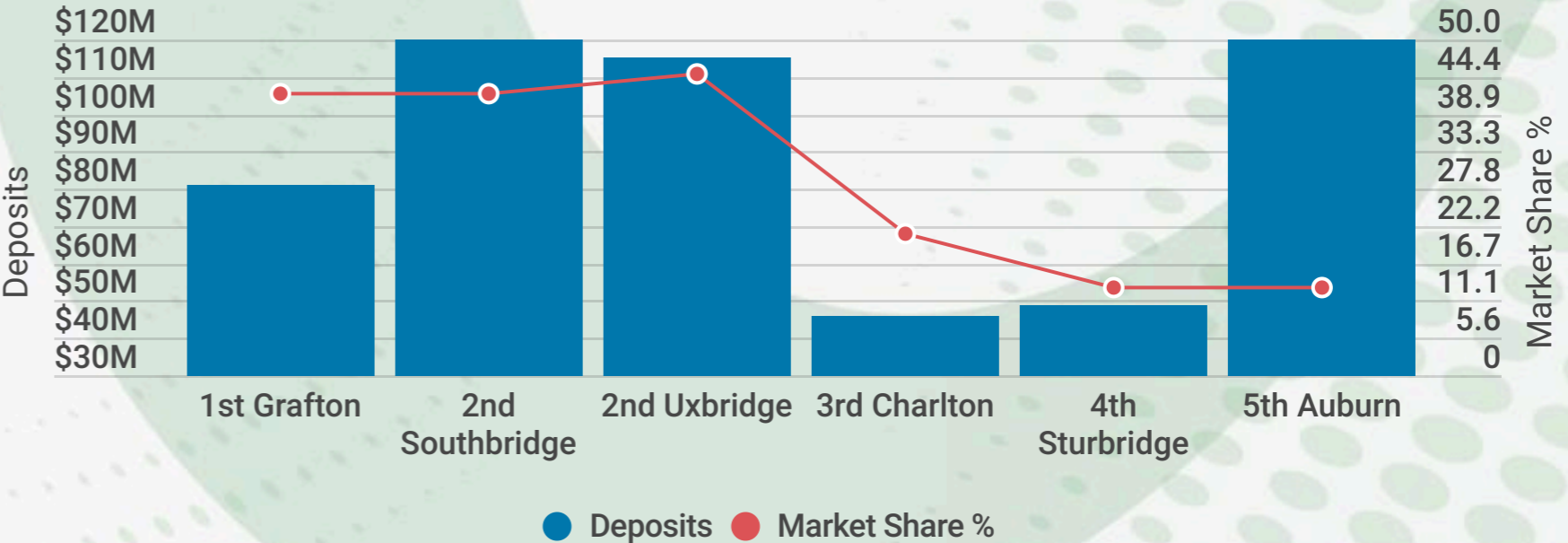


Deposit Composition



Deposit Market Share Ranking

FDIC Data as of June 2023



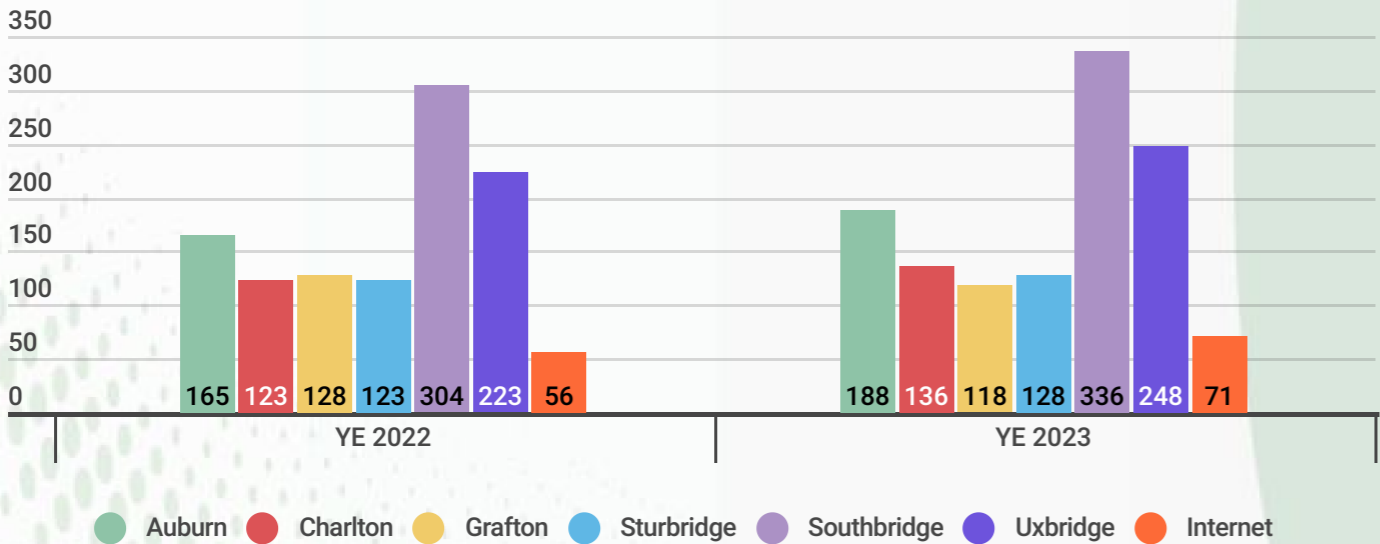
New Checking Accounts

Personal Checking

+ 1,122
Added in YE 2022

+ 1,225
Added in YE 2023

9%
Increase

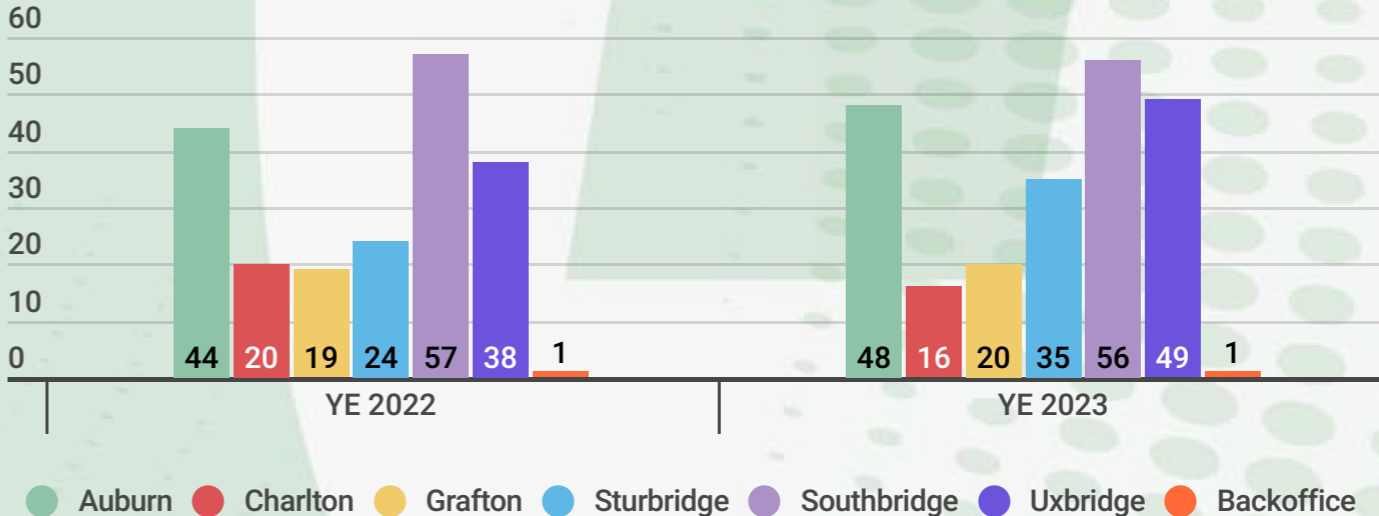


Business Checking

+ 203
Added in YE 2022

+ 225
Added in YE 2023

11%
Increase

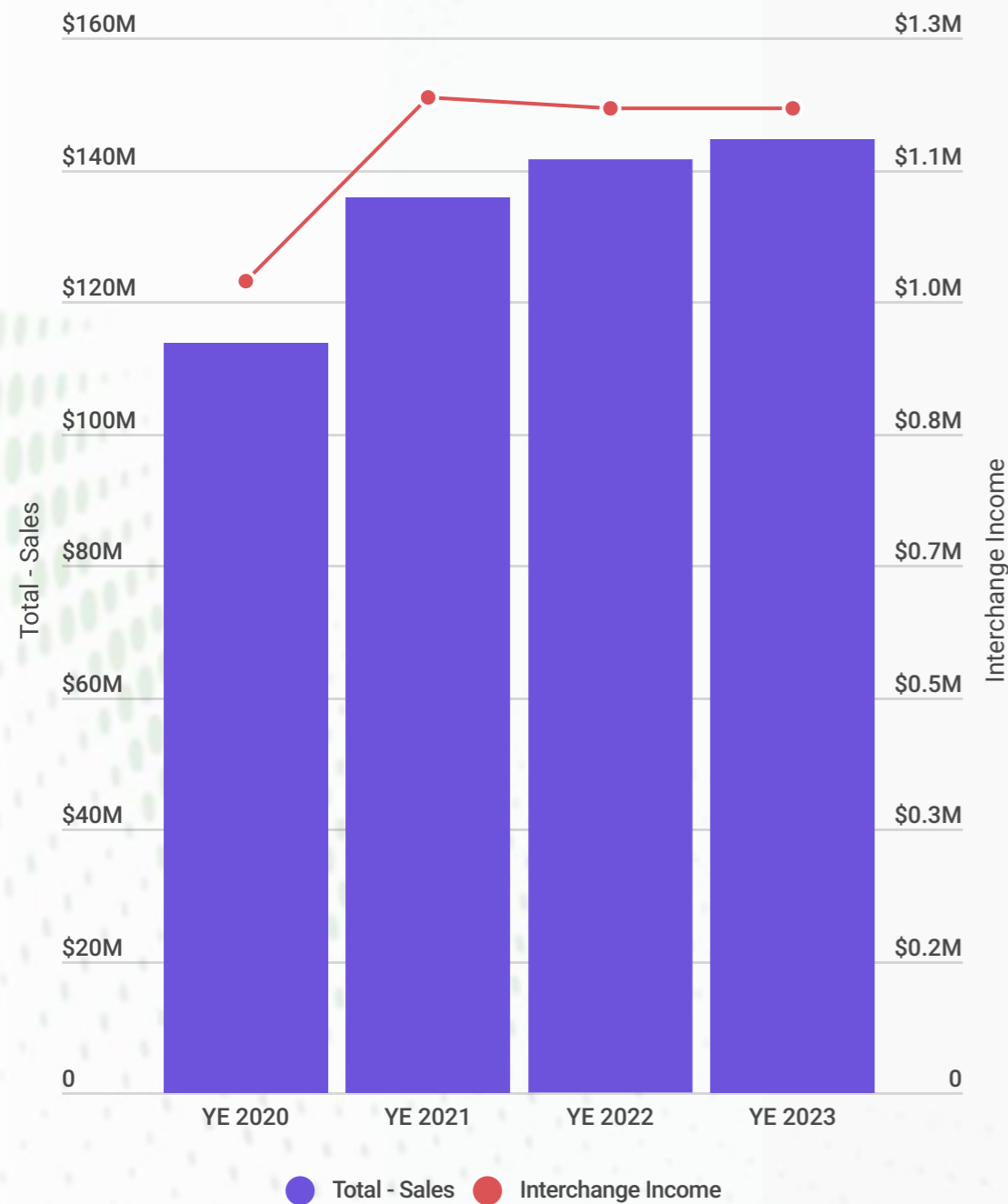


Savers Bank ended the year strong for new consumer and business checking accounts. New retail sales for personal and business checking accounts goals were achieved with 1,450 new accounts. These core products continue to be a cornerstone for adding new relationships and building deposit balances. The Bank also was successful in establishing 126 business relationships that has been averaging a total of \$5 million in deposits.

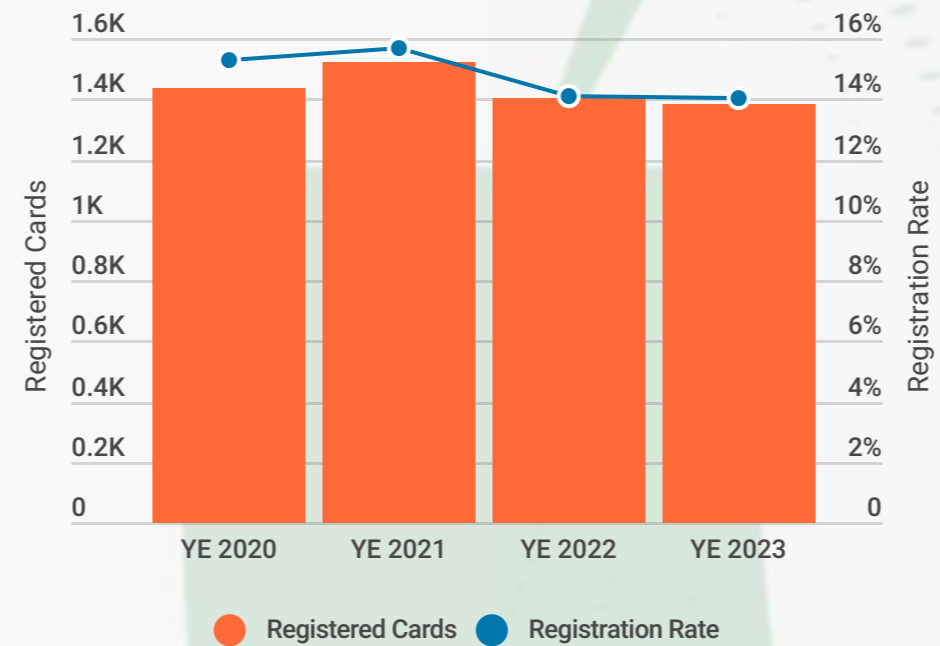
2023 continued to see a steady growth in new personal checking accounts in all age demographics. The commitment to improving access and offering a variety of self-service banking options have fueled the steady growth that we have been experiencing. The addition of Google, Apple and Samsung Pay have made our checking products attractive to the Gen X, Millennials and Gen Z generations. We believe in providing our customers with a variety of choices in the way they bank through our various services and checking products designed based on lifestyle. We also understand that consumers prefer to bank in-person and digitally. We make both experiences easy with our latest online banking platform as well as having our branches readily available to assist customers whenever they need assistance with a no appointment necessary approach.

Debit Card Reward Program

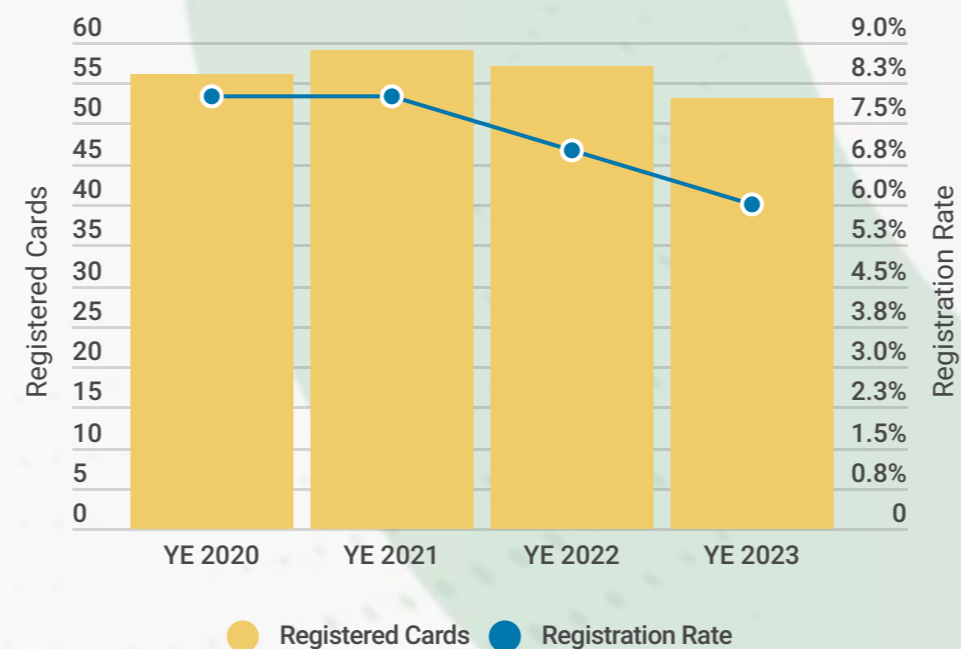
Debit Card Sales & Interchange Income



uChoose Consumer Registration



uChoose Business Registration



Debit card sales have been increasing year over year, with 2023 having over \$144 million in transactions. Higher debit card sales equate to higher interchange income. We closed out 2023 with generating over \$1.2 million in interchange income for the year.

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. The interchange received from debit card transactions helps us to provide this reward program that offers added value to the checking account relationship.

Last year, we implemented digital wallets. This technology allows our customers to have faster and secure checkout experiences whether in person, at a store or from their mobile device.

Digital and Self-Service Banking Solutions



Enrolled Online/Mobile Banking

11,430 users



Active Online/Mobile Banking

7,461 users



Mobile Deposits

3,323 users for a total of 24,684 deposits



Bill Pay

2,292 enrolled users for the bill pay service



E-Statements

12,118 opting for this green alternative



Telephone Banking VRU

3,025 average calls per month received



Cash Management Services

16,182 transactions



MX - On-Line Financial Mgt Tools

487 enrolled users



Spanish Telephone Banking

242 average calls per month

Consumers and Businesses are now asking for more self-service and digital banking options. We welcome in-person branch visits that provide for a personal one-on-one experience but also offer personal and business customers with the latest in self-service options with a 24/7 convenient banking experience.



Financial Literacy Journeys Begin at Savers Bank

Savers Bank is committed to providing leading edge financial education resources to our community to assist them in achieving financial soundness throughout the many stages of their life. Savers Bank partnered with Banzai and launched our Financial Wellness Platform on our website which features four interactive learning tools.



Financial Literacy Tools



Coaches - *Learning Guides*

Are self-paced interactive learning guides that coach users through building a budget, turning complex tasks into manageable steps for setting realistic goals in various situations



Articles - *Informative financial education essential reads*

Educational financial information to aid in better decision-making




Calculators


Offer several simple and modern interactive financial calculators

Savers Bank also encourages financial education at all age and life stages and we have partnered with schools, businesses, and non-profits to share our presentations to expand our reach with financial literacy. We feel that children are never too young to understand sound money management and we will soon introduce our Propel Student Checking account that can be opened with a parent for students 12 to 18 years old. Custom design debit card access and automatic savings is included with this account.


Sponsorships / Community Involvement


 **\$ 3,500**
Performing Arts


 **\$ 9,000**
Chambers & Business Partnerships


 **500+ Hours**
Volunteerism

 **\$ 9,000**
Health Related


 **\$ 8,818**
Family / Child Services

 **\$ 9,450**
Academic Programs

 **\$ 5,000**
Green Environmental Initiatives

 **\$ 3,000**
Animal Causes

 **\$ 30,000**
United Way Employee & Bank Match

 **\$ 28,800**
Community Social Services



Our roots started by supporting our communities by offering banking products to assist consumers and businesses with managing their day-to-day financial needs and future aspirations.

Today we continue to do this but, we understand that to be a good partner in our communities means that our support beyond banking products is needed now more than ever before. In 2023 we expanded our support to reach more non-profits in communities that have the highest demand. Our focus is to assist those organizations that offer financial support, housing, education, and provide tools and resources to those seeking assistance.

We provide not only monetarily to our communities, but also through employee voluntarism. In 2023 our employees happily donated over 500 hours of their time to volunteer in the communities they work and live in and they generously donated to the United Way Campaign. Employee donations for the United Way campaign were matched by our generous Board of Directors for a total donation of \$30K.

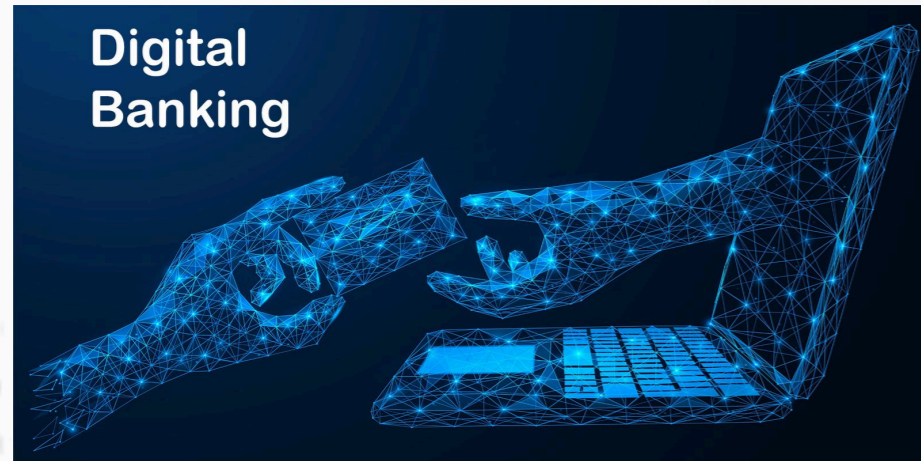


Innovation

Faster, Easier and Multi-channel

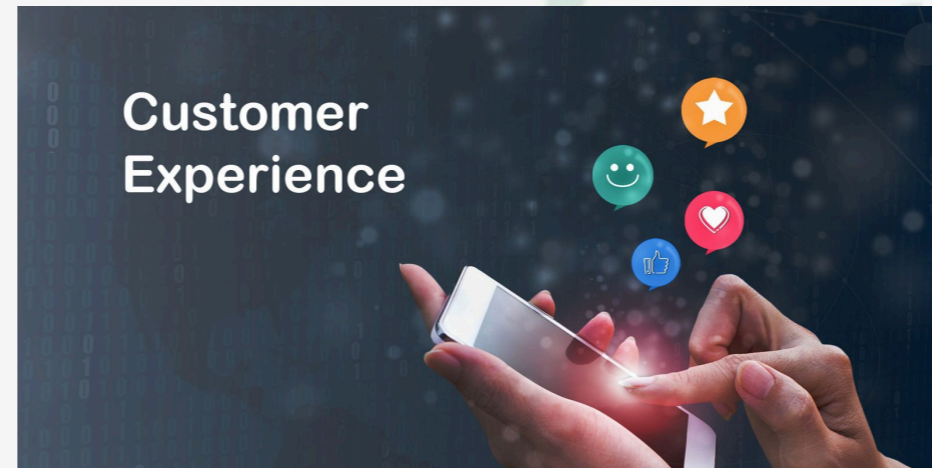


Completed 2023



Expanded digital wallet pay options Samsung Pay and Google Pay added in addition to Apple Pay

On-Line Consumer Account Opening



New Contactless ATMs
Uxbridge, Auburn, Sturbridge and Southbridge

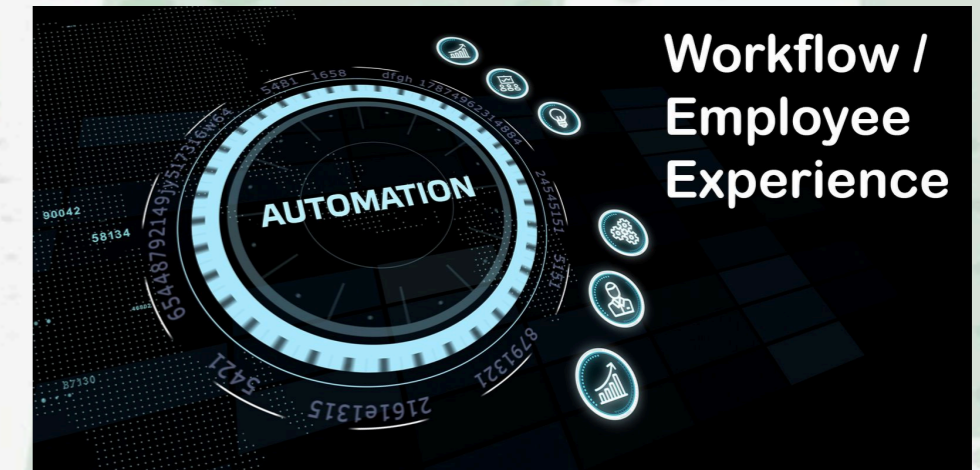
Envelop-less image deposits

Expanded instant issue custom debit card images

Electronic customer notices "Green" alternative to paper notices

Banzai Financial Literacy

SAGE - Tuition Rewards



Continue to leverage the COCC Insight core with ongoing processing and customer enhancements

Expanded presence in community events. High visibility, employee engagement and community support

Enhanced employee learning and development

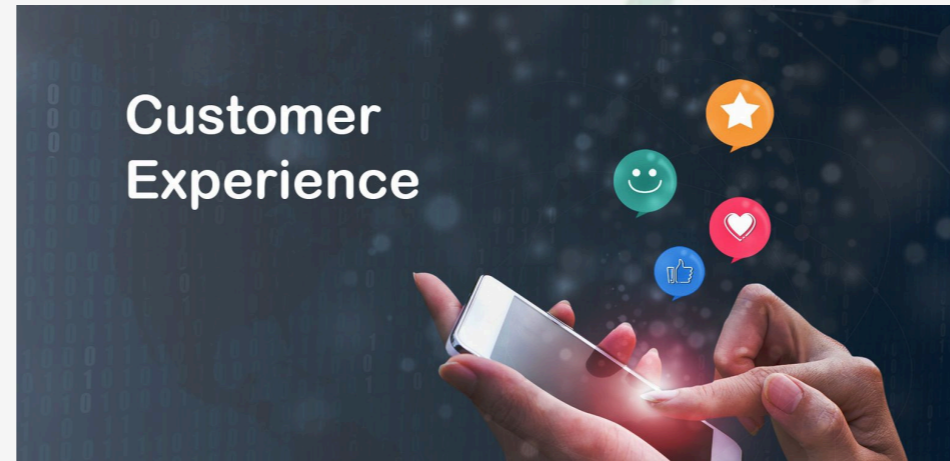
Innovation

2024 Upcoming Projects and Future Innovations



Centrix ACH/Debit Card streamlined customer dispute process to improve customer experience with fraud issues

E-sign – Digital signatures for improved customer experience



Charlton branch renovation

Expanded customer financial literacy programs

Business online account opening

Advance Cyber Security, protect customer's data

Email receipts - Green alternative to in-branch transaction receipts



Expansion of employee development knowledge and career pathing with retail banking employees

Customer self-serve meeting scheduler for mortgage and consumer visits

Provide virtual in-branch and mortgage meeting options

Enhanced Bank at Work experience with onsite on-line account opening

Expanded Merchant Services Offerings

The Transformation Continues in 2024/2025

Savers Bank continued with the modernization of branches with the completion of the renovation of our Auburn branch in June 2023. The exterior boasts two new branded towers and updated trim that complimented the bright and airy banking floor that creates an inviting banking experience for our customers and employees.

Auburn Completed



Charlton Branch

Our Charlton branch is next to be renovated with a start date of May 2024. Charlton's completion will be our third of six branches experiencing this transformation. Investing in our assets has been well received by our customers as they see we are investing in our communities for a best-in-class banking experience for them and the generations to follow.



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 resolute and experienced Board of Directors who collectively average over 19 years of sound guidance for the Bank. This talented group of individuals support the Bank in providing the best financial services to consumer and business customers with safety and soundness as the center of focus.



Joseph Coderre



Amy Messina



Andrea Hogarth



Steven M. Ward



Bruce Desrosier



Daniel Finn



Ken Rizner



Matt Dixon



Michael Cove

Paul Jalbert Retiring Board Member



Thank you to Paul Jalbert for his dedication and experience provided during his role as a director from 2011 – 2024.

Paul also retired as President and Chief Executive Officer for Savers Bank prior to joining the Board. He worked for the bank from 1973-2011.

He dedicated over 50 years of service as a valued member of our team.

HAPPY

Retirement!

Vicki Samson, Senior Accounting Specialist II will be retiring on April 30, 2024, after over 24 years of service at Savers Bank. Vicki held several positions at the Bank that ranged from her start as a teller to her current position in accounting. Vicki was recently instrumental in the COCC Insight conversion for accounting that led to a successful project completion. Vicki's dedication, experience and consistent helpful attitude will be missed by all.



Bob Landolina, Vice President, and Commercial Credit Manager will be retiring on April 26, 2024, after 12 years at Savers Bank. Bob joined Savers Bank as a Senior Credit Analyst in 2012 and was later promoted to VP, Commercial Credit Manager in 2015. Bob was instrumental in establishing and leading our commercial credit department which has focused on a high standard of quality for our commercial loan portfolio.

