



WE'RE ALL IN THIS TOGETHER . . . LOCAL MATTERS.

2020 report to our community

TO OUR CUSTOMERS, COMMUNITY AND EMPLOYEES:

“Now more than ever, we’re proud to be the savings bank of this vibrant, strong community.”

Saying that 2020 was a year like none other is an understatement. A global pandemic, an elevation in the awareness of our country’s racial injustice issues, the economic impact of the health crisis, an insurrection at our nation’s capital and escalated political divisions are things we won’t soon forget. We were glad to see the calendar page turn to a new year recognizing that none of these issues will go away quite so easily.



WE FACED CHALLENGES . . . TOGETHER.



But there was another side to 2020. As the challenges grew larger, our community became closer. As a truly local bank, we are proud to be part of this resilient community and to be able to help facilitate all that we are able to accomplish **together**. Out of the ashes of 2020, there is hope that our community will build on these lessons and realize how strong we are when we come together.

Photography: Lisa Scoville

SBW WAS PROUD TO BE THERE FOR OUR COMMUNITY.



As an essential service provider, SBW took its role as a community leader seriously. While prioritizing the safety of our staff, customers and community, we adapted to meet the financial service needs entrusted to us. This included the difficult decision to close our lobbies for four months. We adapted and readapted. We realized our need to support our community during a difficult time and responded with an increased level of financial support and community leadership.

And . . . we put our money where our heart is—helping many local businesses by supporting the Paycheck Protection Program. When the U.S. Cares Act created the Paycheck Protection Program (PPP) to support small businesses, we responded by securing \$40 million for 468 local businesses, organizations and sole proprietors and their families.

We were proud to be recognized for our PPP support by the NH Small Business Association who presented us with the 2020 Emerging Lender Award. We were even more proud of the strength and fortitude that local business owners, nonprofits and sole proprietors mustered in the face of the many challenges thrown at them by the pandemic.



FROM A FISCAL STANDPOINT, 2020 WAS A RECORD-SETTING YEAR . . . DESPITE THE CHALLENGES.

We were pleased by our community's commitment to banking locally. As a result, we funded **\$150 million in new loans**, including **\$40 million of Paycheck Protection Program loans** and **\$57 million in residential loans**. We also experienced **deposit growth of over \$105 million**, reflecting people's desire to keep their money working in our community.

SBW exited 2020 a stronger bank, well positioned to continue serving our community's financial needs, just as we have since 1875.

NEW HAMPSHIRE
MUTUAL BANCORP



MERRIMACK
COUNTY SAVINGS BANK



NHTrust
FINANCIAL ADVISORS

Strength of our affiliation

In 2018, SBW joined an affiliation with New Hampshire Mutual Bancorp (NHMB). The driving force for the affiliation was the ability to maintain our local brand, products and decision-making while gaining the type of scale a small bank could not achieve on its own. 2020 was a wonderful exhibit of all that the NHMB affiliation brings to our bank and community.

- While maintaining local management, board, staff and decision-making, the additional resources provided by the affiliation were critical in managing our way through the pandemic.
- It has also allowed us to make needed investments in new technology to upgrade our infrastructure and enable SBW to add a number of new applications and features for our customers.
- And as promised, we have added jobs in our community and new opportunities for existing staff.

DURING 2020, SAVINGS BANK OF WALPOLE SHOWED SUPPORT FOR OUR COMMUNITY IN MANY WAYS.



As the savings bank of our community, SBW is an avid and ongoing supporter of local nonprofits. Last year, we committed ourselves on an even greater scale in an effort to help address critical community needs that arose because of the pandemic. In 2020, our Bank donated over **\$300,000 to 138 organizations, institutions and events.**

We continued to invest in our local branches and staff and we hired local vendors whenever possible, spending over \$1.5 million locally on products and services. We also funded more than **\$150 million in consumer and business loans** right here in our community—including **\$57 million in residential mortgages.**



... CONTINUED

Stepping up to help.

If ever there was a year when nonprofits needed the Bank's support—and the support of our community—2020 was it. When COVID first hit, the Bank immediately gave [Cheshire Health Foundation \(CHF\)](#) a \$10,000 unsolicited donation given their crucial role as a healthcare provider in the community. In addition, we also partnered with CHF for their **Senior Passport Program**, paying for 245 Thanksgiving Day meals that were given to individuals in our community. With many families needing childcare through the remote learning shift, the [Keene Family YMCA](#) and [Stonewall Farm](#) responded by starting full-day programs to meet the needs of our community. The Bank was able to fully fund the Y's program with a \$10,000 donation and also gave Stonewall Farm a boost of \$2,500 which paid for supplies, scholarships for home-school classes, and full-day programs for school-age students.

When [Home Healthcare Hospice and Community Services](#) faced the challenge of needing to replace their leaking roof, SBW was able to provide a \$25,000 donation to go toward its replacement and offered a low-rate loan to help mitigate the cost of the repair. To support the [Monadnock United Way's \(MUW\)](#) annual fundraising campaign, the Bank gave a total of \$24,000 which included money raised by SBW staff along with a company match from the Bank. (Our donation subsequently helped MUW reach the annual goal for their 2020 campaign which raised \$1,277,000.) Toward the end of the year, our annual [Good Friends Campaign](#) and its stuffed toy animal "ambassadors" provided some much-needed cheer during the holidays. Working in conjunction with [Monadnock Broadcasting Group](#) and [Douglas Cuddle Toys](#), the campaign raised exactly \$24,000 for the local nonprofit, [Monadnock Understands Childhood Hunger \(MUCH\)](#). Meanwhile, our **12 Days of Giving** social media campaign was one of the many ways we recognized and showed our gratitude for essential workers and nonprofits.



HONORED TO BE RECOGNIZED BY OUR COMMUNITY & COLLEAGUES.

American Banker Magazine included SBW for the fourth year in a row on their annual list of the “**Best Banks to Work For**” in the USA. Click on the video to hear why, according to some of our employees.

AMERICAN BANKER
**2020
Best
Banks to
Work For**



It's truly an honor to be recognized by our community and those in our industry for doing a good job.

- Our commercial lending team was recognized by the NH Small Business Administration as **the 2020 Emerging Lender** for our support of Paycheck Protection Program loans.
- Banking Northeast Magazine named SBW the **Top Pandemic Performer in the State of New Hampshire**.
- In the Keene Sentinel's Choice Awards, SBW was named **Best Local Bank** in our community for the 15th year in a row.

Grateful for Our Employees

Of course, we couldn't do it without our employees. On that note, we'd like to take a moment to remind you of how fortunate we are to have a staff made up of exceptional local individuals who rose to the occasion through this unprecedented time. They gave their all, both on the job and in the community, while at the same time navigating the “new normal” of daily life.

PRODUCT INNOVATION THAT MAKES BANKING EVEN BETTER FOR OUR CUSTOMERS.



It's all in the wrist.

Now the SBW mobile banking app works on Apple Watch.



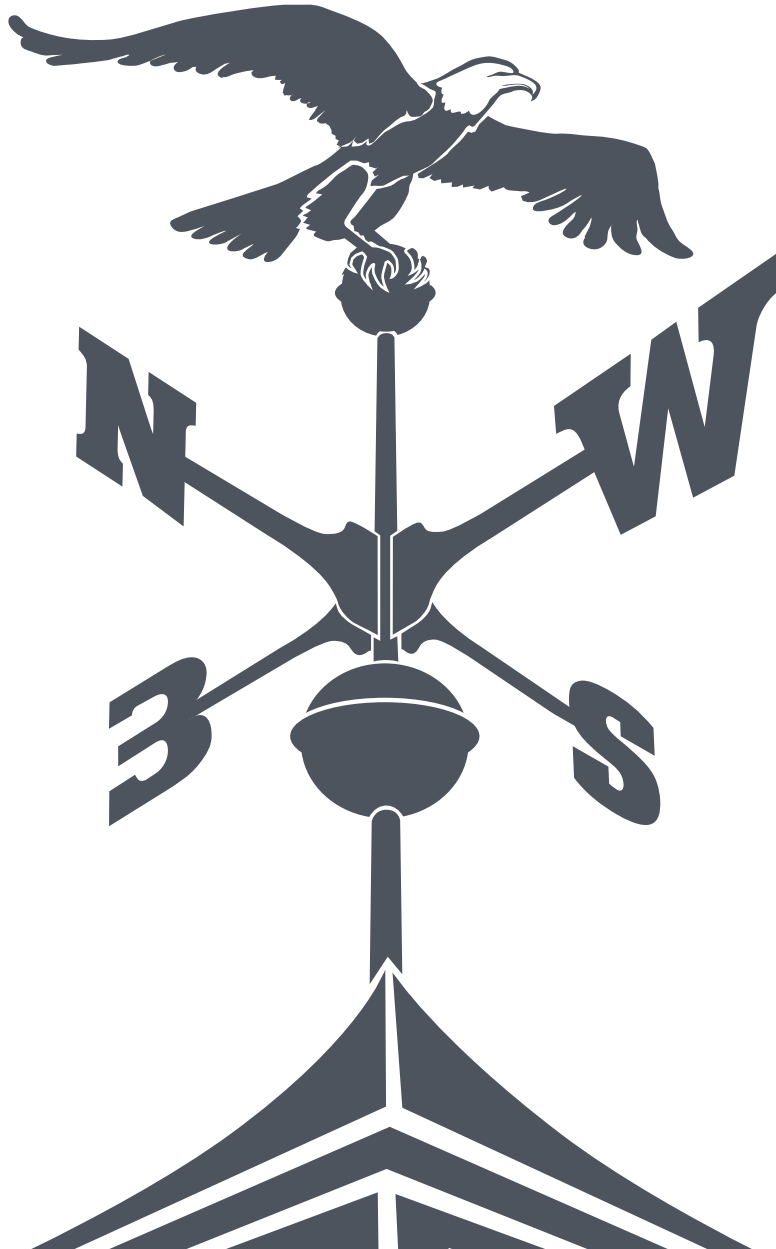
since 1875

Despite the challenging nature of last year, we stayed the course in terms of continuing to offer our customers the very best products and services. In June, we converted to a new core processing system to manage our major banking functions.

The conversion allowed us to make changes that further enhanced our personal banking products and services, enabled smarter technology and ensured better security. Some of the new services we introduced to our customers included:

- New checking and savings account options.
- Person-to-Person pay (P2P) using your smartphone.
- Apple Watch compatibility.
- Mobile Wallet capability, which lets you link your SBW debit card to your smartphone for contactless payments at participating merchants.
- CardSwap, which lets you easily update automatic payments should your SBW debit card number change.
- Compatibility with MyCardRules, a free app that helps you control when and how your SBW debit card can be used.

YOU REVEAL YOUR TRUE SELF IN CHALLENGING TIMES.



We are firm believers that you reveal your true self in challenging times. So what did we see in the mirror? Qualities like caring, honesty, trust, vulnerability, commitment, adaptability, and generosity were apparent almost daily. **We proved that we are up to any challenge and our commitment to be a leader within our community is unwavering.** In our community, we saw resilience and a willingness to put aside our differences to come together and overcome the challenges that each day presented. There were no competitors, only neighbors and allies. We saw a strength that will serve us well going forward.

SBW 2020 FINANCIAL HIGHLIGHTS

Loans grew by \$76 million, or 25.0%

\$40 million of PPP loans to 468 local businesses, organizations and families

Net income of \$2.8 million is the second highest in our history, behind only 2019

Savings Bank of Walpole had an outstanding financial year despite the unprecedented challenges experienced in 2020. The Bank's commitment to support our community, especially in a time of need, not only led to an increased level of support to the community, but also the community's support of its local bank.

In 2020, the Bank closed **\$150 million of new loans including \$40 million of Paycheck Protection Program (PPP) loans for 468 local businesses and organizations**. This also includes **\$57 million of residential loans** for local families, fulfilling their dreams of purchasing a new home, and for those looking to take advantage of lower rates to save money. These lending amounts far surpassed previous years. **Deposits increased \$105 million, or 26%** in 2020. We are especially pleased that these record growth levels demonstrate the strength and relevance of the Bank in the eyes of our community. A stronger Savings Bank of Walpole is well positioned to continue to meet the needs of—and support—our community.

Closed \$150 million of loans—79% more than the prior year

Deposits increased \$105 million, or 26%

Net interest income increased by \$1.4 million or 10.4%

Net income of \$2.8 million was the Bank's second highest level —only slightly below the prior year. Net interest income, which is the excess of interest earned less interest paid and the **foundation of the Bank's business model, increased by \$1.4 million, or 10.4%**. Our strategy to deploy funds into higher yielding assets (mainly loans to our community's businesses, organizations and families) continues to result in higher earnings and a stronger SBW.

While SBW continues to grow and get stronger, our Board and Management remain committed to maintaining a sound balance sheet capable of achieving the Bank's long-term mission and commitment to our community.

FINANCIAL HIGHLIGHTS - BALANCE SHEET



..... \$ THOUSANDS

DECEMBER 31, 2020

DECEMBER 31, 2019

ASSETS

Cash and cash equivalents	\$42,471	\$32,202
Securities available for sale	109,329	87,728
Net loans	387,440	311,135
Other assets	15,738	16,079
Total Assets	\$554,978	\$447,144

LIABILITIES AND CAPITAL

Deposits	\$512,864	\$407,517
Other liabilities	2,262	3,341
Total Liabilities	\$515,126	\$410,858

CAPITAL

Undivided profits	\$38,672	\$36,105
Accumulated other comprehensive gain	1,180	181
Total Capital	\$39,852	\$36,286
Total Liabilities and Capital	\$554,978	\$447,144

FINANCIAL HIGHLIGHTS - INCOME STATEMENT



----- \$ THOUSANDS -----

	DECEMBER 31, 2020	DECEMBER 31, 2019
Interest and dividend income	\$16,639	\$15,146
Interest expense	1,426	1,370
Net interest income	\$15,213	\$13,776
Provision for loan loss	\$863	\$282
Non-interest income	\$2,735	\$3,161
Non-interest expenses	\$13,526	\$12,932
Income before income taxes	\$3,559	\$3,723
Provision for income taxes	798	760
Net income	\$2,761	\$2,963

KEY STATISTICS

Return on average assets	0.54%	0.69%
Net interest margin	3.09%	3.35%
Tier 1 leverage ratio	7.03%	8.02%
Total risk-based capital	14.38%	14.47%

DIRECTORS AND CORPORATORS

DIRECTORS

Mark Bodin, *Chester, VT*
(President, Savings Bank
of Walpole)
Kathleen Collinsworth, *Keene*
Joseph Coneeny*, *Walpole*
Mark Gavin, *Keene*
Jason Houston**, *Keene*
Susan Howard, *Walpole*
Gary Kinyon, *Keene*
Sylvia McBeth, *Keene*
Lynn Rust, *Swanzey*
Gregg Tewksbury, *Keene*
(President and CEO,
New Hampshire Mutual Bancorp)

* Chair

** Vice Chair

LOCAL NHMB CORPORATORS

Thomas Bates, *Westmoreland*
Jill Batty, *Keene*
Emily Benson, *Keene*
Mark Bodin, *Chester, VT*
Sarah Bradeen, *Swanzey*
Kathleen Collinsworth, *Keene*
Joseph Coneeny, *Walpole*
Martha Curtis, *Keene*
Philip Davis, *Walpole*
Bradley Dunbar, *Saxtons River, VT*
Jayson Dunbar, *Walpole*
Mark Gavin, *Keene*
Yvonne Goldsberry, *Walpole*
Nathalie Houder, *Walpole*
Jason Houston, *Keene*
Susan Howard, *Walpole*
Ruth Jacobs, *Keene*
David Johnson, *Walpole*
Robert Kimball, *Walpole*

EMERITI CORPORATORS

William Fletcher
Donald Houghton
John Hubbard
Robert Perry
Paul Trask
Joseph Walier

OFFICERS

Executive

Mark Bodin, President
Christine Scheiner, Secretary
Tamara Richardson, VP, Human Resources

Commercial Lending

Stephen Bianco, SVP, Senior Commercial Lender
Chris Kebalka, VP, Commercial Loan Officer
Amy Lehr, VP, Commercial Loan Officer
Andrew Richardson, VP, Commercial Loan Officer
Kimberly Drone, Senior Credit Analyst & Bank Officer

Community Engagement

Danielle Ruffo, Community Engagement Officer
& Community Reinvestment Act Officer

Consumer Lending

Arthur Letendre, SVP, Consumer Loan Officer
Carol Ritchie, VP, Consumer Loan Manager

Information Technology

Robert Soloway, EVP, Chief Information Officer
Matthew Guild, VP, Digital Development

Finance

Jason Hicks, EVP and CFO, Treasurer
Jeffrey Smith, AVP, Treasurer
Nathan Rounds, Financial Accounting Officer

Residential Lending

Mark Danahy, SVP, Residential Lending
Dawn Martin, VP, Mortgage Lending
Christine Greenwood-Smart, Mortgage Loan Officer
Samantha Monson, Mortgage Loan Officer
Sarah Rosley, Mortgage Loan Officer

Retail Banking

Dominic Perkins, SVP, Retail Administration
Wallace Reney, AVP & Bank Officer
Lisa Bierweiler-Franks, Branch Manager & Bank Officer
Kendra Carter, Retail Administration Officer
Katherine Hanks, Branch Manager & Bank Officer
Michelle Howard, Regional Branch Manager & Bank Officer
Crystal Lewis, Business Development Officer
Heather Scheck, Branch Manager & Bank Officer
Eric Schlim, Branch Manager & Bank Officer

Risk, Compliance and Operations

Angela Strozewski, EVP, Senior Operations Officer
Joanne Pearce, SVP, Identity Theft Officer
Wendy Clark, VP, Senior Compliance Officer
Michelle Driscoll, VP, Deposit Compliance Officer
Tara Mudgett, VP, Security Officer & Information Security Officer
Kathryn Settipane, Operations Officer
Cynthia Sullivan, Senior Compliance Analyst & Bank Officer

WHAT'S AHEAD



While no one can predict what the future holds, we are hopeful that better days are ahead. What we can say with certainty is that Savings Bank of Walpole will remain committed to our community—as a financial service provider, supporter, leader and neighbor. Local Matters.

Thank you sincerely for your support.

A handwritten signature in blue ink that reads "Mark".

Mark Bodin, President

“We are proud to be a part of this wonderful community and that will never change.”

