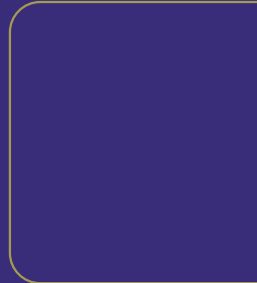
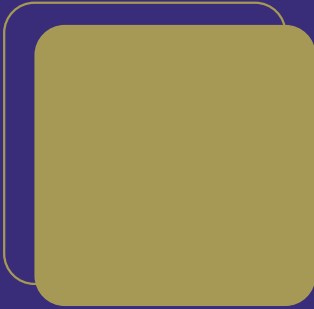


2019

ANNUAL REPORT



**SAWYER
SAVINGS**

Experience worth banking on since 1871

President's Message

With 2019 behind us, everyone at Sawyer Savings Bank is full of gratitude for the people throughout the Hudson Valley who helped make this past year another rewarding one for the bank.



Douglas P. Sturges
PRESIDENT

It is humbling to look to the future as the bank moves toward a celebration of turning 150 years young in 2021. We have some exciting plans for 2020 and 2021 to help recognize such an amazing milestone. Sawyer Savings has proven that over time – *our experience is worth banking on.*

I would like to thank our customers who have trusted us to help them achieve their financial goals in 2019. Home ownership is the American dream and Sawyer Savings helps Hudson Valley residents achieve that dream every year through our First Time Homebuyer Program. We are also honored that many local businesspeople chose Sawyer Savings as their commercial bank.

Over the last year I worked closely with CEO Gabriel F. Sottile and the rest of our senior officers to ensure continuity across every aspect of the bank as we implement the transition to the new management team. Mr. Sottile stepped down as President in January 2019 and has maintained his CEO position within the organization. After his retirement this December, he will remain Chairman of the Board at Sawyer Savings Bank. In addition, Cynthia Saporito, our Sr. Vice President & COO, will be retiring after 34 years of dedicated service. After her retirement Mrs. Saporito will continue on as a Trustee of Sawyer Savings. I would also like to acknowledge the impressive 20-year tenure of the bank's first female trustee, Marita Lopez-Mena, as she retired at the end of 2019 to enjoy spending time with her grandchildren.

Sawyer Savings welcomed Brian Fay to our organization in 2019 as Vice President and Chief Financial Officer. Brian brings 35 years of Accounting and Financial Management experience in the banking industry to the Sawyer Savings team. Brian has experience in Commercial Banking, Mortgage Banking, and IT business lines working for national, regional, and community financial institutions. We are confident in the direction of our senior management team and are prepared for another successful year in 2020.

Throughout the Hudson Valley, we invest in the community; not just as bankers, but as citizens and neighbors as well. This past year, Sawyer Savings employees volunteered at events from the Hudson Valley Ribfest and the Taste of New Paltz, to the Sawyer Motors Car Show and the Saugerties Garlic Festival. We proudly participated in the Backpack Programs at our local high schools, with Marlboro UNICO for their Tomato Festival & Clam Bake, and as a returning sponsor of the Community Day in Highland. Our annual "Stuff the Truck" event resulted in the donation of non-perishable food (and financial donation) to each of the outreach programs at the Saugerties Food Pantry, St. Augustine Food Pantry and the Roman Catholic Church of St. Mary's and St. James.



*SSB Employees adopted
10 children through
Christmas Wishes Ulster
County in 2019!*

I would personally like to thank our generous employees for contributing thousands of dollars to charities through our "Casual for a Cause" program! Casual for a Cause was established more than 25 years ago, as a simple way to make casual Fridays a little more meaningful for our neighbors. Every other Friday, bank employees wear jeans and donate \$2 (or more) to benefit a local nonprofit organization. Since its inception, we've been able to help Ulster County Relay for Life, Christmas Wishes Ulster County, Sparrows Nest and so many more. Our staff is focused on not only helping customers but supporting the community as well.

Sawyer Savings has been committed to the community since 1871, a milestone in itself, and it has been our goal for almost 150 years to provide you with a long-lasting financial relationship. Sawyer Savings will continue to build that trust and be there to help achieve your financial goals. From all of us at Sawyer Savings Bank, thank you for your commitment to our bank.

Respectfully submitted,

Douglas P. Sturges

Douglas P. Sturges
President

Staff Congratulations

Experience a spotlight on staff achievements in 2019.

Achievement in **SALES**



Congratulations to **David Stokrocki**, in Commercial Lending, on closing \$20 million in loans. Dave has been in banking since 1998 and has been our commercial lending officer for over 10 years. He is also a member of NYS Commercial Association of Realtors and several chambers and business organizations throughout the Hudson Valley. When not lending, you'll find Dave fishing or hiking with his dog Marvin.

Officer **PROMOTIONS**



Congratulations to **Jordan DePuy**, for being promoted to Vice President of Lending. Jordan has been with us for 6 years and has been essential to the innovation of our lending department during his tenure. Jordan, a graduate of Seton Hall University, is a Highland native and is married to his wife, Gia, and has a beautiful 18 month daughter named Ella Rae.



Congratulations to **Jenn Gutheil-Denier**, for being promoted to Vice President of Customer Experience. A graduate of SUNY Ulster, Jenn has over 27 years of customer service experience, 19 of which have been in the financial services industry. An active member and volunteer for various local organizations, Jenn resides in Saugerties with her husband and two children. When not helping our customers and staff, you'll find her cheering from the sidelines at various Saugerties sporting events.



Congratulations to **Amy Ferraro**, for being promoted to Branch Manager of our Saugerties location. A graduate of Stony Brook University, Amy is a native of Fishkill and has worked in the financial services industry for seven years. She joined the Sawyer Savings team in 2017 in the role of Assistant Branch Manager. Amy is an active member of the community volunteering her time at various events. Amy enjoys spending her free time with her husband, daughter, and their two dogs.

Statement of Condition

As of December 31, 2019

ASSETS

Cash and Due from Banks		\$1,460,112
Interest Bearing Balances in other institutions		4,159,265
Investment Securities (FMV):		
Government Agency - MBS	\$7,981,019	
Government Agency - CMO	24,998,482	
Municipals	12,264,252	
Other US Gov't Agencies	<u>11,308,494</u>	
Total Securities		56,552,247
Loans:		
Residential Mortgages	107,945,266	
Commercial Real Estate	<u>50,351,260</u>	
Total Real Estate Secured Loans		158,296,526
Home Equity Loans	5,122,150	
Other Consumer Loans	<u>597,776</u>	
Total Consumer Loans		5,719,926
Commercial Loans		<u>19,313,573</u>
Total Loans		183,330,025
Reserve for Loan Loss		<u>(846,396)</u>
Net Loans		182,483,629
Other Assets		<u>10,346,068</u>
Total Assets		\$255,001,321

LIABILITIES AND EQUITY

Passbook / Statement Savings	\$31,458,241	
Interest Checking (NOW's)	25,670,661	
Money Market Plus Accounts	6,512,925	
Certificates of Deposit	123,575,262	
Escrow & Club Accounts	<u>2,953,357</u>	
Total Savings and Time Deposits		190,170,446
Demand Deposits		<u>15,943,181</u>
Total Deposits		206,113,627
Notes Payable		19,000,000
Accrued Taxes & Other Liabilities		<u>4,045,869</u>
Total Liabilities		229,159,496
Surplus		4,470,465
Undivided Profits		21,177,480
Net Unrealized Holding Gains		<u>193,880</u>
Total Equity		<u>25,841,825</u>
Total Liabilities and Equity		\$255,001,321

Statement of Income & Changes in Equity

For the Year Ended December 31, 2019

Interest and Fee Income

Interest and Fees on Loans	\$7,813,162
Interest and Dividends on Securities	1,638,310
Other Interest and Fees	<u>58,189</u>
Total Interest and Fee Income	9,509,661

Interest Expense

Passbook / Statement Savings	32,220
Interest Checking (NOW's)	25,883
Money Market Plus Accounts	27,006
Certificates of Deposit	2,296,751
Escrow & Club Accounts	37,752
Interest on Notes Payable	<u>560,983</u>
Total Interest Expense	2,980,595

Net Interest Income	6,529,066
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Non-Interest Income

Service Charges on Deposit Accounts	320,069
Gain on Securities Sold	289,427
Loan Servicing Activity	58,770
Other Non-Interest Income	<u>762,603</u>
Total Non-Interest Income	1,430,869

Non-Interest Expense

Salaries & Benefits	3,690,543
Occupancy Costs	487,022
Equipment Costs	241,608
Computer Services	1,060,751
Other Non-Interest Expenses	<u>1,644,717</u>
Total Non-Interest Expenses	<u>7,124,641</u>

Income Before Provision & Income Taxes	835,294
Provision for Loan Loss	700,000
Applicable Income Taxes	<u>33,839</u>

Net Income	\$101,455
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Reconciliation of Equity

Equity as of December 31, 2018	\$25,128,119
Net Income for the Period	101,455
Net Impact of Unrealized Gains on AFS Securities	<u>612,251</u>
Equity as of December 31, 2019	\$25,841,825

Officers (as of January 1, 2020)

Gabriel F. Sottile
Chief Executive Officer

Douglas P. Sturges
President

James P. Whitaker
Executive Vice President & CISO

Cynthia L. Saporito
Senior Vice President & COO

Brian C. Fay
Vice President & CFO

Melissa Olsen
Vice President & CAO

Jenn Gutheil-Denier
Vice President of Customer Experience

Jordan DePuy
Vice President, Lending

Christen Padilla
AVP/ Finance & IT

Liza Lanzarone-Mackey
AVP/ Branch Manager

Lisa Uvino
Compliance & CRA Officer

Lisa Laibach
BSA & OFAC Officer

Amy Ferraro
Branch Manager

Sales

David Stokrocki
AVP/Business Relationships

Patti Riozzi
Residential Mortgage Specialist

Trustees

Gabriel F. Sottile
Chairman of the Board -Elected 1999

David W. Messina Elected 1999

Jack M. Wilsey Elected 1999

Robert J. Allen Elected 2010

Patricia P. Brooks Elected 2013

A. Michael Foglia Elected 2014

Peter S. Gage Elected 2017

Matthew H. VanDerbeck Elected 2017

Cynthia L. Saporito Elected 2019

Locations

Main Office
87 Market Street
Saugerties, NY 12477

Lending Services Department
85 Market Street
Saugerties, NY 12477

Highland Office
3515 Route 9W
Highland, NY 12528

Marlboro Office
Rt 9W / 2 Riverview Drive, Suite 1
Marlboro, NY 12542

