



2020

Annual Report



CEO's Message

The Sawyer Savings Bank team rallied around each other, our customers, and our communities in this unique time in our history. We addressed unexpected issues in 2020 the same way that Sawyer Savings Bank has over the past 150 years: with a vigilant eye on the financial resources and needs of our customers and communities. As Sawyer Savings marks 150 years in business, we remain united and focused on keeping people healthy and safe; personally, professionally and financially.

Every member of the Sawyer Savings team responded to the pandemic by implementing changes quickly, effectively and safely. I am proud of how our team met these challenges in the past year.

Some of our accomplishments include:

- *Providing over \$5 million of Payroll Protection Loans (PPP) to business customers.*
- *Originating 35 Central Hudson "Back to Business" loans to support local small businesses.*
- *Deferring mortgage payments for over 200 residential and commercial customers to help them through a crucial period.*
- *Quickly developing ways for employees to work from home to create a very efficient offsite workforce.*
- *Paying our employees their full-time wages through the entire pandemic.*
- *Meticulously designing a workforce made up of teams to allow the lobbies to remain open for a majority of the normal hours while keeping a healthy team at home ready to fill in if needed.*

These accomplishments were achieved in the midst of a successful transition of senior management with the retirement of Gabriel Sottile and Cynthia Saporito. Both have been critical members of the Sawyer Savings Bank team for a combined 75 years. Gabe has led the bank as CEO for the past 22 years and will continue on as chairman of the Board of Trustees. Cindy was our first female COO and was elected to the board of trustees in 2019. Another long-term member of the Sawyer Savings team, Jim Whitaker will take over as president as I transition to CEO.

We remain proud and honored to be involved in exceptional and vibrant communities; not just as bankers, but as citizens and neighbors. Even with many disruptions last year, Sawyer Savings Bank maintained its dedication to local organizations, including Ulster County United Way, the Saugerties Boys and Girls Club, and “Go Red Day” for women’s heart disease. Sawyer Savings also provided scholarships for the students of Saugerties, Highland and Marlboro graduating classes of 2020.

Sawyer Savings Bank remains true to our mission of supporting local organizations and businesses through volunteerism as well as monetary support. We set up “Front Line Fridays” to recognize groups of essential workers each week with lunches or gift cards to show gratitude for local hospital emergency rooms, nursing homes, long-term care facilities, grocery stores, volunteer fire departments, police departments, local ambulance and EMS workers. Though we had to change how we provide support to local food pantries and the school backpack programs, our annual “Stuff the Truck” event was a major success. We again adopted a family as part of Christmas Wishes Ulster County. Sawyer Savings Bank participated in Sparrows Nest Community casual day—virtually—in 2020. And we partnered with the Sawyer Automotive Foundation to help provide masks to the Saugerties community.

In recognition of our 150th anniversary in 2021, Sawyer Savings Bank has committed to donating \$150,000 through our Community Giving Program. Helping our communities is central to our mission. Protecting our communities in this time is especially significant.

Sawyer Savings Bank maintains its commitment to its customers and team members. We are dedicated to community banking for small businesses—that’s our bread and butter. “Think local, shop local, bank local”; remains a common mantra at Sawyer Savings Bank. Please consider using a community bank—We are the heartbeat of your neighborhood.

For 150 years our goal has been to provide you with a long-lasting financial relationship. Sawyer Savings will continue to build that trust and be here to help you achieve your financial goals. Whether it’s our charter year of 1871 or 2021, we put you first.

Respectfully submitted,

Douglas P. Sturges

Douglas P. Surges
Chief Executive Officer



Staff Congratulations

Officer Retirements



Gabriel F. Sottile

Gabriel F. Sottile is retiring as the Chief Executive Officer. He will remain Chairman of the Board of Sawyer Savings Bank. Gabe joined the bank in 1978 serving in several capacities, including Auditor, Executive Vice President, and Chief Operating Officer, before his election to President in 1998. He held the titles of President, CEO, and Board Chairman simultaneously for many years.

A 1975 graduate of Ulster County Community College, Gabe has an Associate Degree in Applied Science with a major in Business Administration.

He has been active in the Hudson Valley for many years. Gabe served as Chairman of the Board for Benedictine Hospital and Trustee and Chair of the Finance Committee for Ulster County Community College.

He is a former member of the Saugerties Kiwanis Club and served as the Auditor, Secretary, and Treasurer of the Group VIII Officers' Forum. In 2020 he received the Lifetime Achievement Award from the New Paltz Regional Chamber of Commerce.

Gabe is a long-time resident of Hurley, along with his wife, Diane. He has two daughters, Sarah and Janine, and two granddaughters, Sadie and Violet.

In addition to the well-deserved retirements, Sawyer Savings Bank has also announced several promotions effective January 1, 2021.



Douglas P. Sturges has been elected as Chief Executive Officer. Doug previously served as the bank's President and Sr. Vice President & Chief Financial Officer.



James P. Whitaker has been elected as President. Jim also retains the position of Chief Information Security Officer. He previously held the positions of Executive Vice President and Vice President & Chief Information Officer.



Cynthia L. Saporito

Cynthia L. Saporito is retiring as Senior Vice-President and Chief Operating Officer at Sawyer Savings Bank. Cynthia began her career at Sawyer Savings in 1986. She has held numerous positions, including Internal Auditor, Mortgage Officer, Compliance Officer, and Marketing Officer. She was named to the Board of Trustees in January 2019.

As Sr. VP and COO since 2005, Cynthia oversaw most operations within the bank, including deposit, residential lending, and commercial lending. She also was responsible for oversight of Compliance and Information Technology at various periods. In her last two years at Sawyer Savings, she focused on mentoring successors for both herself and CEO Gabriel Sottile as they prepared for their joint retirement at the end of 2020.

Cynthia has long been active in the community. She served on various boards, including the Saugerties Boys & Girls Club, the Town of Saugerties Ethics Committee, the Saugerties Public Library, the Kiwanis Club of Saugerties, and the Village of Saugerties Revolving Loan Fund. She and her husband Michael have owned their home in Saugerties for more than 30 years, where they raised their two (now adult) daughters.



Brian C. Fay

has been elected as Sr. Vice President, Finance/ IT and Chief Financial Officer.



Christen R. Padilla

has been promoted to the position of Assistant Vice-President of Residential Lending and Loan Servicing. Christen previously held the position of Assistant Vice President-Finance and IT.

Finally, we congratulate ***Ernest Schirmer***, who in addition to his duties as an IT Specialist and Facilities Manager, will take on the role of the Bank's Security Officer.



New Products

In 2020 we were happy to introduce four new products to help serve you better!

For Personal

Zelle®

Zelle is a convenient way to send money from your mobile banking app or online banking account.

Credit Sense

Your Credit Score and Report are Waiting for You. You now have instant access to your credit score, credit report, personalized money-saving offers, and financial education tips on how to improve your score or maintain an already great score.

SSB Smart Card debit card monitoring

The SSB Smart Card App helps you control your cards through your mobile device, making it easy to set alerts and manage your finances on the go.

For Business

SSB Biz Mobile App

Secure for worry free transactions. Manage funds, efficient mobile deposits, check your balances, or pay your bills. Your money is at your fingertips with anytime account access.

In the Community

Neighbors Helping Neighbors in 2020.



Officers (As of January 1, 2021)



Douglas P. Sturges,
Chief Executive Officer



James P. Whitaker,
President & CISO



Brian C. Fay,
*Sr Vice President,
Finance – IT & CFO*



Melissa Conway,
Vice President & CAO



Jordan DePuy,
*Vice President –
Lending*



Jenn Gutheil-Denier,
*Vice President –
Customer Experience*



Christen R. Padilla,
*AVP – Residential
Lending & Loan
Servicing*



**Liza Lanzarone-
Mackey,**
*AVP – Southern
Territory Manager*



Lisa Uvino,
*Compliance &
CRA Officer*



Lisa Laibach,
BSA & OFAC Officer



Amy Ferraro,
*Branch Manager–
Saugerties*

Sales



David Stokrocki,

*AVP/Business
Relationships*



Patti Riozzi,

*Residential Mortgage
Specialist*

Board of Trustees

Gabriel F. Sottile,

Chairman of the Board, Elected in 1999

David W. Messina,

Elected in 1999

Jack M. Wilsey,

Elected in 1999

Robert J. Allen,

Elected in 2010

Patricia P. Brooks,

Elected in 2013

A. Michael Foglia,

Elected in 2014

Peter S. Gage,

Elected in 2017

Matthew H. VanDerbeck,

Elected in 2017

Cynthia L. Saporito,

Elected in 2019

Statement of Condition

AS OF DECEMBER 31, 2020

ASSETS

Cash and Due from Banks		\$2,043,472
Interest Bearing Balances in other institutions		4,369,668
Investment Securities (FMV):		
Government Agency - MBS	\$7,320,019	
Government Agency - CMO	15,165,247	
Municipals	15,655,940	
Other US Gov't Agencies	10,839,322	
Other Securities	<u>5,250,000</u>	
Total Securities		54,230,528
Loans:		
Residential Mortgages	99,627,054	
Commercial Real Estate	<u>67,821,534</u>	
Total Real Estate Secured Loans		167,448,588
Home Equity Loans	4,661,283	
Other Consumer Loans	<u>476,592</u>	
Total Consumer Loans		5,137,875
Commercial Loans		<u>17,967,195</u>
Total Loans		190,553,658
Reserve for Loan Loss		<u>(1,506,530)</u>
Net Loans		189,047,128
Other Assets		10,461,143
Total Assets		\$260,151,939

LIABILITIES AND EQUITY

Passbook / Statement Savings	\$37,966,064	
Interest Checking (NOW's)	32,850,279	
Money Market Plus Accounts	10,597,419	
Certificates of Deposit	99,895,779	
Escrow & Club Accounts	<u>3,196,915</u>	
Total Savings and Time Deposits		184,506,456
Demand Deposits		<u>23,459,072</u>
Total Deposits		207,965,528
Notes Payable		19,000,000
Accrued Taxes & Other Liabilities		<u>5,400,739</u>
Total Liabilities		232,366,267
Surplus		4,470,465
Undivided Profits		21,954,422
Net Unrealized Holding Gains		<u>1,360,785</u>
Total Equity		27,785,672
Total Liabilities and Equity		\$260,151,939

Statement of Income & Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2020

Interest and Fee Income	
Interest and Fees on Loans	\$8,066,641
Interest and Dividends on Securities	1,361,833
Other Interest and Fees	13,337
Total Interest and Fee Income	9,441,811
Interest Expense	
Passbook / Statement Savings	31,195
Interest Checking (NOW's)	16,414
Money Market Plus Accounts	28,533
Certificates of Deposit	1,917,213
Escrow & Club Accounts	9,063
Interest on Notes Payable	399,510
Total Interest Expense	<u>2,401,928</u>
Net Interest Income	7,039,883
Non-Interest Income	
Service Charges on Deposit Accounts	253,319
Gain (Loss) on Securities Sold	368,796
Loan Servicing Activity	152,643
Other Non-Interest Income	<u>1,017,248</u>
Total Non-Interest Income	1,792,006
Non-Interest Expense	
Salaries & Benefits	3,842,000
Occupancy Costs	455,619
Equipment Costs	241,598
Computer Services	1,088,084
Other Non-Interest Expenses	<u>2,174,904</u>
Total Non-Interest Expenses	<u>7,802,205</u>
Income Before Income Taxes	1,029,684
Applicable Income Taxes	218,507
Net Income	\$811,177
Reconciliation of Equity	
Equity as of December 31, 2019	\$25,128,119
Net Income for the Period	811,177
Net Impact of Unrealized Gains on AFS Securities	1,846,376
Equity as of December 31, 2020	\$27,785,672

Experience worth banking on since 1871



Locations

Main Office

87 Market Street
Saugerties, NY 12477

Highland Office

3515 Route 9W
Highland, NY 12528

Lending Services Department

85 Market Street
Saugerties, NY 12477

Marlboro Office

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



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