



SAWYER
SAVINGS

2022
ANNUAL REPORT



I am pleased to report that Sawyer Savings Bank continues to thrive with strong profitability and a firm commitment to our founding philosophy of being a pillar in the communities we serve. As your local community bank, we believe in working together with our customers for the good of the community.

At Sawyer Savings Bank we believe that putting a company's purpose at the foundation of customer relationships is critical to long-term success. When employees understand their customer's needs, they can be trustworthy advocates. Customers want to know what you stand for as they increasingly look to do business with partners that share their values. We knew it was important to look at our own mission, and make sure it aligned with our strategic goals to better serve our customers.

CEO'S Message

I am proud to share with you for the first time, Sawyer Savings Bank's new Mission Statement:

We are stewards of a mutual institution with over 150 years' experience and deeply invested in the community. We inspire financial success for our customers through innovative products and services while providing an exceptional customer experience by ingraining customer-first in everything we do. We enrich local volunteer organizations and businesses through use of the bank's business expertise and earnings.

This "customer-first" emphasis allows Sawyer Savings to focus on ways to be even more accessible and convenient. In 2022, we expanded our virtual offerings with easy online account opening, renovated our New Paltz branch at Woodland Pond with the addition of much needed safe deposit boxes, and we're actively planning to expand our geographic footprint again in 2023 with an additional banking location.

In our local communities, our staff and trustees remain intimately involved by donating their time, talent and treasure to numerous organizations that have positive impacts on all of us. In addition, we are continuing to fulfill our commitment to the Hudson Valley by finalizing the creation of the Sawyer Savings Charitable Foundation. We are honored to give back in this way and plan on providing financial support to our neighbors and non-profit organizations. We are proud of our important role in supporting our communities and look forward to building new relationships in the coming years with the chance to help in original and diverse ways ...as we have been doing for over 150 years.

Of course, it's the loyal support of our customers that makes our success possible. The money you deposit and the loans you hold with us enable Sawyer Savings to make an impact in your community. Your business spurs economic growth by creating jobs that are filled by your family, friends, and neighbors. In banking locally with Sawyer Savings, you are having a powerful, direct impact in your local neighborhoods.

As the proud leader of this organization, I am very appreciative of the work of our team and their unwavering commitment to our organization. I am confident that our founders would be proud of the fact that we have never lost sight of their goal in the formation of Sawyer Savings: To sustain independence and be a leader in anticipating customer needs in the Hudson Valley.

I thank our customers, trustees, officers, and staff for supporting our mission as a community bank by remembering our roots of providing exceptional products and services to our customers, and being an integral part of the communities we serve.

Sincerely,

Douglas P. Sturges
Chief Executive Officer

At Sawyer Savings Bank, we pride ourselves on combining the best people with the best technology in order to provide a level of customer service that's unparalleled in our community.

In 2022, just as we have for over 150 years, we worked with customers, staff, and community members to help them conveniently and safely manage their finances and achieve their financial goals. Most importantly we strive to maintain a customer-first mentality as mentioned in our newly adopted mission statement.



PRESIDENT'S *Message*

Customer First - Investing in Ourselves and Products.

- Our newest branch in New Paltz, on the Woodland Pond Campus, received a renovation to become a full service location, complete with safe deposit boxes that can help protect important assets and valuables.
- We've added new sales representatives in residential and commercial lending that have expanded our geographic reach to better serve our customers.
- We adopted a Universal Banker model in our branches, which creates a faster, more personalized customer experience. Any branch team member will be able to assist you with your banking needs.
- We created two new eco-friendly product lines to help customers looking to reduce their environmental impact. Our Sawyer Solar loan helps businesses and homeowners alike harness the power of the sun by helping to offset energy costs and offers competitive low rates on solar panel financing. Our Eco-LOC is a home equity line of credit that can be used for select energy efficient and environmentally friendly appliances and products to help improve their property, and the planet.

Customer First - Investing in Technology.

- We have completed the implementation of an organization wide CRM, "customer relationship management" tool - a type of software that helps us to manage, track, and organize relationships with customers. This will strengthen our ability to be a leading provider of financial services by providing a higher level of personalized customer service.
- For added ease and convenience, we've upgraded our technology to provide the ability for customers to open an account online. With its intuitive interface, and integrated background checking capabilities, this makes account opening fast and easy.

Customer First - Investing in our Communities by being the best community partner we can be by giving our Time, Talent, and Treasure.

- We provided over \$100,000 to help our neighbors in the community, through organizations such as the Kingston / Saugerties Boys and Girls Club; Food Bank of the Hudson Valley; HOPE Rocks; The Saugerties Animal Shelter; school backpack programs in Highland, Saugerties, and Marlboro; the Alzheimer Association; American Cancer Society; Saugerties Public Library; The United Way of Ulster County; Diaz Ambulance; Sawyer Motors Foundation, and more...
- Our staff has volunteered hundreds of hours for local community organizations, from volunteering at animal shelters, serving on non-profit boards, collecting donations to battle food insecurity, raising awareness of climate change by planting trees, to providing meals to our first responders... and the list goes on.

The continued success of our organization is a direct result of a deep commitment to community banking values and our employees' and trustees' commitment to the bank, to ultimately provide a customer-first experience. We continue to focus on the financial needs of local families and small businesses to provide exceptional service, great products, and sound advice. Sawyer Savings Bank has been and continues to be a financially strong community bank as a direct result of our customers' success and their trust in us.

Sincerely,

James P. Whitaker

President

Customer First:

Investing in Ourselves

We know you have choices, and we're grateful that you've chosen to make Sawyer Savings Bank your trusted financial partner. Over the last year, our executive team and board of trustees have spent considerable time working on ways to optimize our mission's value. For more than 150 years, Sawyer Savings Bank's focus has been on providing better-value products and services to our customers. As our range expanded over the years, we have never lost sight of our commitment to innovation, the community, and superior customer service.

And so, with great pride, we share with you our new mission statement.

SAWYER SAVINGS BANK MISSION

We are stewards of a mutual institution with over 150 years' experience and deeply invested in the community. We inspire financial success for our customers through innovative products and services while providing an exceptional customer experience by ingraining customer-first in everything we do. We enrich local volunteer organizations and businesses through use of the bank's business expertise and earnings.

Our new customer-first driven mission will create opportunities for our customers, employees, and communities to thrive. And, we'll do it while remaining competitive and relevant in the market and with the same superior level of service you've come to know and expect from Sawyer Savings Bank.

We look forward to working with new and existing customers and community partners, expanding and leveraging the partnerships and collaborations needed to ensure our successful mission.

Since 1871



Above: Sawyer Savings Bank announced new Charitable Foundation at Ulster County Regional Chamber of Commerce Breakfast at Diamond Mills Conference Center, April 2022.



Customer First:

Investing in our Community

Throughout its growth, Sawyer Savings Bank never lost sight of our mission of supporting our local communities and serving others. While celebrating our 150th anniversary in 2021 we had the honor of donating \$150,000 to local non-profit organizations. The overwhelming feeling of gratitude for giving back to our community in such an immense way resonated with the Board of Trustees and staff. As a result, we are pleased to announce that Sawyer Savings Bank has finalized the process of forming our very own Charitable Foundation. We are honored to share with you it's new mission:

The mission of the Sawyer Savings Charitable Foundation is to reinforce, encourage, and support our ongoing commitment to the well-being of our community.

The Foundation actively seeks programs that provide a measurable impact across the communities that it serves. Our goal is to enhance the efforts of not-for-profit groups, institutions, schools and other organizations who are working to solve unfulfilled needs through innovative thinking and programs. We do this to help strengthen families and build prosperous communities in the Hudson Valley.

By the formation of this Foundation, we are committing to a wide range of organizations and programs throughout the region, including programs that promote job creation, business retention, business growth, and community enhancement. We look forward to sharing and working with those in our community on this new initiative to help make our community even stronger.



Customer First: *Investing in our Community*



Customer First:

Investing in Products

Solar Financing Built to Grow Your Business:

A Sawyer Solar loan is a great way to offset energy costs, reduce environmental impact, reduce your carbon footprint, and may allow building owners to take advantage of tax credits and depreciation. Our solar energy loan has competitive low rates and can be customized to fit the commercial solar setup of your dreams, including site evaluation, engineering, permitting, building, and conversion from electric to solar!

[Learn more at SawyerSavings.Bank/Solar](http://SawyerSavings.Bank/Solar)

Eco-Loc Product:

Our Eco-LOC is a Home Equity Line of Credit that can improve your home, be eco-conscious, and save you money. It can be used for select energy efficient and environmentally friendly appliances and products in order to improve your property, and the planet! This product has a quick turnaround time and covered closing costs.

[Learn more at SawyerSavings.Bank/ECO](http://SawyerSavings.Bank/ECO)

Online Account Opening:

Fast, Convenient and Secure. Sawyer Savings Bank offers customers the ability to open deposit accounts online, all from the comfort of your home.

[Learn more at SawyerSavings.Bank](http://SawyerSavings.Bank)

Customer First:

Investing in our Staff

New Team Members and Promotions!



Clif Johnson

Clif joins us as the new Branch Manager in our Highland branch with an impressive background in banking and finance. He will be responsible for daily operations, branch performance, provide leadership and supervision to staff, and enhance the customer experience by building relationships and offering personalized financial solutions.



Jennifer Alnwick

Jennifer joins us with over 25 years of experience in business banking and commercial lending. In her new role, Jennifer will be responsible for generating commercial lending opportunities as well as developing business banking relationships with local businesses in the Hudson Valley.



Nicole Lowrey

Promoted to Lending Supervisor, Nicole will be responsible for supervising staff, overseeing daily operations for residential loan origination, and loan servicing through all Sawyer's delivery channels. Beginning her banking career with SSB in 2013 as a Teller, Nicole held multiple positions, most recently as Loan Servicing Specialist with our lending department.

Officers (As of January 2023)



Douglas P. Sturges
Chief Executive Officer



James P. Whitaker
President



Brian C. Fay
Sr Vice President & CFO



Jenn Gutheil-Denier
Vice President, CXO & CMO



Melissa Conway
Vice President & CAO



Lisa Laibach
*Vice President –
Enterprise Risk Officer
& CISO*



Christen R. Padilla
AVP – Finance



Amy Ferraro
*AVP Branch Manager
Saugerties & New Paltz*



Lisa Uvino
Compliance & CRA Officer

Sales Team



Patti Riozzi
*Vice President –
Residential Loan Officer*



Liza Lanzarone- Mackey
*Vice President –
Residential Loan Officer*



Jennifer Alnwick
*Vice President –
Commercial Loan Officer*

Board of Trustees



From left to right: David W. Messina, A. Michael Foglia, Peter S. Gage, Cynthia L. Saporito, Gabriel F. Sottile, Patricia P. Brooks, Robert J. Allen, Jack M. Wilsey, and Matthew H. VanDerbeck.

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, 2022

ASSETS

Cash and Due from Banks		\$1,601,035
Interest Bearing Balances in other institutions		1,457,824
Investment Securities (FMV):		
Government Agency - MBS	\$10,268,471	
Government Agency - CMO	3,089,252	
Municipals	15,674,163	
Other Securities	<u>19,881,611</u>	
Total Securities		48,913,497
Loans:		
Residential Mortgages	101,414,716	
Commercial Real Estate	<u>99,673,964</u>	
Total Real Estate Secured Loans		201,088,680
Home Equity Loans	5,628,644	
Other Consumer Loans	<u>350,143</u>	
Total Consumer Loans		5,978,787
Commercial Loans		<u>9,072,179</u>
Total Loans		216,139,646
Reserve for Loan Loss		<u>(2,131,872)</u>
Net Loans		214,007,774
Other Assets		<u>11,920,096</u>
Total Assets		\$277,900,226

LIABILITIES AND EQUITY

Passbook / Statement Savings	\$49,792,385	
Interest Checking (NOW's)	37,547,325	
Money Market Plus Accounts	15,057,965	
Certificates of Deposit	92,445,180	
Escrow & Club Accounts	<u>3,794,083</u>	
Total Savings and Time Deposits		198,636,938
Demand Deposits		<u>35,546,597</u>
Total Deposits		234,183,535
Notes Payable		13,650,000
Accrued Taxes & Other Liabilities		<u>4,846,213</u>
Total Liabilities		252,679,748
Surplus		4,470,465
Undivided Profits		24,411,645
Net Unrealized Holding Losses		<u>(3,661,632)</u>
Total Equity		<u>25,220,478</u>
Total Liabilities and Equity		\$277,900,226

Statement of Income & Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2022

Interest and Fee Income	
Interest and Fees on Loans	\$8,675,475
Interest and Dividends on Securities	1,552,541
Other Interest and Fees	<u>20,667</u>
Total Interest and Fee Income	10,248,683
Interest Expense	
Passbook / Statement Savings	25,887
Interest Checking (NOW's)	17,875
Money Market Plus Accounts	67,581
Certificates of Deposit	859,101
Escrow & Club Accounts	33,755
Interest on Notes Payable	<u>117,870</u>
Total Interest Expense	<u>1,122,069</u>
Net Interest Income	9,126,614
Non-Interest Income	
Service Charges on Deposit Accounts	345,449
Gain (Loss) on Securities Sold	(18,894)
Loan Servicing Activity	54,468
Other Non-Interest Income	<u>26,779</u>
Total Non-Interest Income	407,802
Non-Interest Expense	
Salaries & Benefits	3,777,687
Occupancy Costs	543,492
Equipment Costs	230,806
Computer Services	1,329,219
Other Non-Interest Expenses	<u>2,186,058</u>
Total Non-Interest Expenses	8,067,262
Income Before Income Taxes	1,467,154
Applicable Income Taxes	<u>311,036</u>
Net Income	\$1,156,118
Reconciliation of Equity	
Equity as of December 31, 2021	\$28,490,941
Net Income for the Period	1,156,118
Net Impact of Unrealized Losses on AFS Securities	<u>(4,426,581)</u>
Equity as of December 31, 2022	\$25,220,478



Experience Worth Banking On

Since 1871



Saugerties Branch

MAIN OFFICE

87 Market Street

Saugerties, NY 12477

Highland Branch

COMMERCIAL LENDING

3515 Route 9W

Highland, NY 12528

Marlboro Branch

2 Riverview Drive, Suite 1

Marlboro, NY 12542

New Paltz Branch

100 Woodland Pond Circle

New Paltz, NY 12561

Loan Servicing

RESIDENTIAL LENDING

85 Market Street

Saugerties, NY 12477



SawyerSavings.Bank | 845.246.7000 | 888.772.1871

