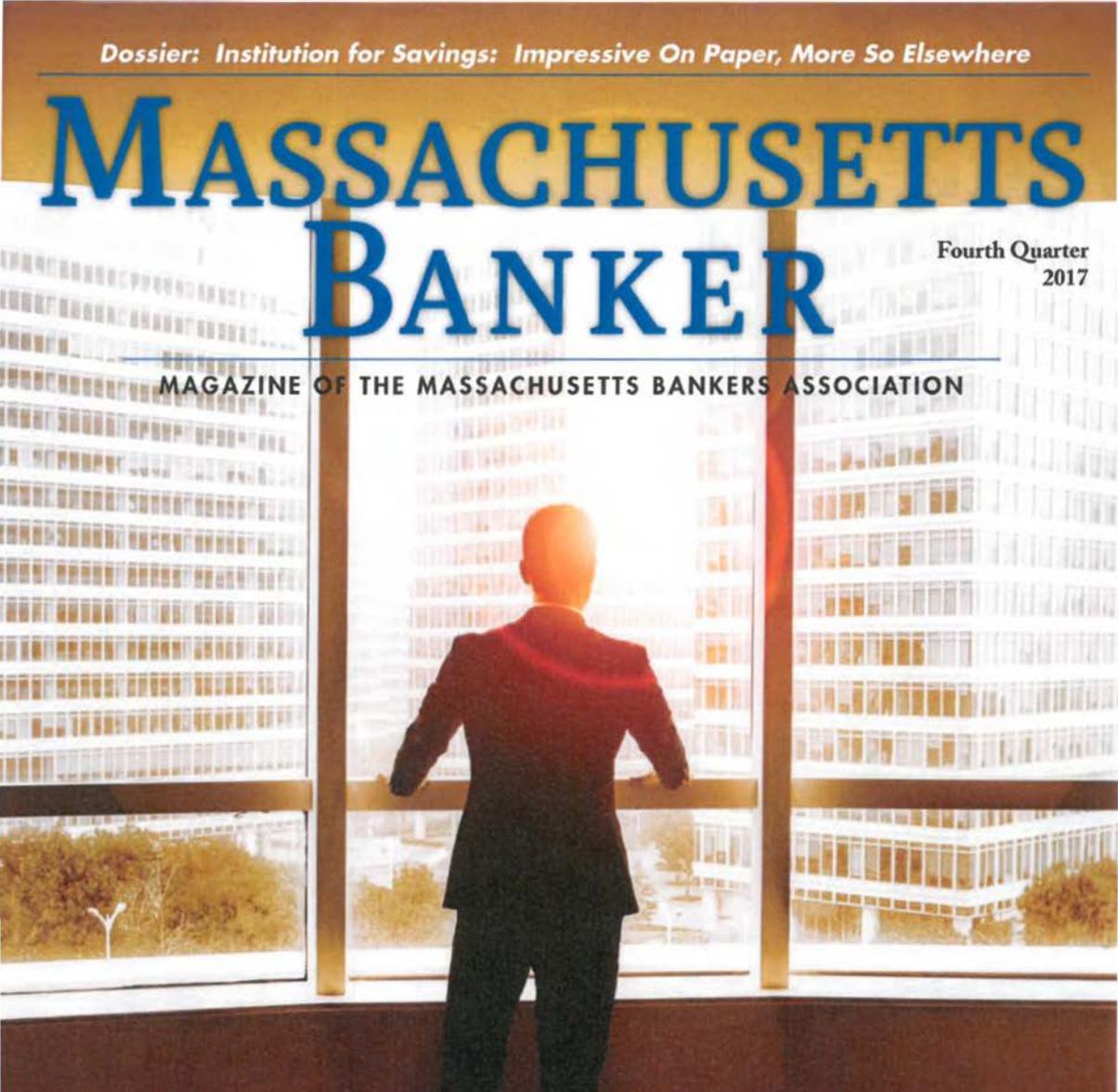


Dossier: Institution for Savings: Impressive On Paper, More So Elsewhere

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INSTITUTION FOR SAVINGS: IMPRESSIVE ON PAPER, MORE SO ELSEWHERE

INSTITUTION FOR SAVINGS



President and CEO:
Michael Jones

Charter: Mutual Savings

Branches: 14

Employees: 214

Total Assets: \$3.3 billion

Total Loans: \$2.5 billion

Total Deposits: \$2.6 billion

Do a Google search for Institution for Savings and it won't take long for you to find the Newburyport-based mutual savings bank's annual report on its website. Delve a little further into the numbers, comparing the bank's \$3.3 billion in assets for 2017, to \$800 million in 2007, and you have to wonder, "How did that happen in a recession?"

"It's a fair question," Michael Jones, president and CEO of Institution for Savings, responded. "You're 100 percent right for asking that question. Looking at the numbers, you wonder how much of it is luck or other factors."

Institution for Savings, chartered in 1820, is recognized as one of the oldest mutual banks in the country. It is also the largest mutual savings bank in the greater Newburyport region and the third largest on the North Shore. Jones has been with the bank since 2007 with the position of COO after the bank merged with Ipswich Co-Operative Bank, where Jones had worked since 1999, becoming CEO in 2002. He became CEO and president of Institution for Savings in 2010.

In 2014, the Institution for Savings acquired Rockport National Bank; and, in July 2017, the bank opened

a full-service office in Hamilton on the site of the former Hamilton Gardens.

When the Great Recession hit, Jones said the bank could have handled things two ways: play it safe and stay small with just four locations, or grow when the opportunity presented itself despite the economy's tumultuous nature. Jones chose the latter and Institution for Savings now has 14 full-service locations — Newburyport, Ipswich, Salisbury, Rowley, Hamilton, Topsfield, Middleton, Boxford, Rockport, Gloucester and Beverly. The bank also has a Residential Lending Center in Newburyport and a Commercial Lending Center in Rowley and Gloucester, Mass.

"There are a few things that contributed to the growth, including 10 new locations in just 10 years," Jones said. "Four of the branches were from an acquisition. In fact, we were the first mutual to acquire a public institution and still remain a mutual savings bank. The others were the right opportunity at the right time; we had the capital so we invested."

What else helped make Institution for Savings thrive during the recession? "Working with 'loyal depositors, A+ borrowers, the bank's 'exceptional staff, and a bit of luck," Jones said.

For 10 consecutive years, the bank has been named a "Top Place to Work" by *The Boston Globe*, including the No. 1 Top Place to Work in the medium employer category in 2013 and 2014, and No. 1 small employer in 2011. That speaks volumes about the atmosphere and management's attitude toward bank employees.

"Opportunities certainly await those employees who are willing to put in their time," Jones said. "However, we are very cognizant that we need to provide both short-term (i.e., quarterly profit sharing based on the bank's operating income, 100 percent health care, tuition reimbursement, fitness memberships, etc.) and long-term benefits (401k, and our defined benefit pension plan) while they work."

Jones also expressed the importance of his employees having a life outside of work, being recognized for their talents, and giving back to the communities the bank serves.



In the last five years, The Institution for Savings' three charitable foundations have collectively donated and pledged \$2 million to support field and stadium renovation projects at Newburyport, Ipswich and Triton Regional high schools. Pictured above is the World War Memorial Stadium at Newburyport High School. Pictured right is the sign of the Institution for Savings Athletic Complex at Ipswich High School.

"When someone is happy, it shows in their work," Jones said. "And that benefits our profitability as well as other areas of the bank."

The Institution for Savings has three charitable foundations — that's right, three: Institution for Savings, 2 Depot Square Ipswich and Main Street Rockport. The reason has to do with the acquisitions over the years. Carrying on the work of those foundations has worked out well, Jones said, particularly since the foundations are located in different communities.

As stated on the bank's website: "In the last five years, the foundations collectively donated and pledged more than \$13 million to community organizations and causes, including a landmark \$1.5 million to construct a new single-patient unit at Anna Jaques Hospital; approximately \$2 million to support field and stadium renovation projects at Newburyport, Ipswich and Triton Regional high schools; a recent \$1 million gift to

Essex County Greenbelt Association for a land conservation fund; and \$1.5 million to the Ipswich Family YMCA for an aquatic center; and much more."

Institution for Savings is also forward-thinking when it comes to financial education, offering comprehensive community-wide financial literacy programs, including "Teach Children to Save" in elementary schools; "Think, Save, Succeed!" for middle schools; "Get Smart About Credit" and "Credit for Life" fairs in high schools; and identity theft prevention seminars for senior citizens.

In summary, Jones credits the bank's success over the last 10 years to a lot of effort, commitment and dedication, and he cites luck as well. One would guess it was much less the latter and more of the former since he joined Institution for Savings in 2007, and because its employees embrace their customers and their bank each and every day. ■

MBA GOLFERS IN FULL SWING IN MAINE AND MASSACHUSETTS CHARITABLE EVENTS

The Massachusetts Bankers Association Charitable Foundation was the beneficiary in two charitable golf events to punctuate late summer. In August banker-duffers competed at the Worcester Country Club, and in September at the Cape Neddick Country Club in Maine.

CAPE NEDDICK





WORCESTER

