

BOARD OF TRUSTEES

Elected

Michael J. Jones, Chairman, President & CEO, Institution for Savings	2000
Ellen Galanis Nich, Certified Public Accountant	2001
R. Drew Marc-Aurele, Owner, Marcorelle's Fine Wines & Liquors	2002
Richard J. Silverman, Owner, Physical Therapist, The Ipswich Center	2002
David A. Tibbetts, President, MVEDC/Of Counsel, Smith, Ruddock & Hayes	2003
Ellen Mackey Rose, Owner, Ellen Rose, CPA, CFP	2005
Freeman J. Condon, Owner, Beach Plum Farms/Beach Plum Too	2007
Cindy M. Johnson, Owner, Publishing Services	2007
John F. Leary III, Owner, JFL Financial Services, LLC	2007
Jeremiah T. Lewis, Owner, Bernard M. Sullivan Insurance Agency	2008
Kimberly A. Rock, EVP & COO, Institution for Savings	2010
James V. Ellard, President & CEO, New England Biolabs	2012
Kevin M. Gasiorowski, Owner, Appleton Eye Associates	2012
Saira Naseer-Ghiasuddin, Medical Director, North Shore Internal Medicine	2012
John J. Meany, CEO Emeritus, YMCA of the North Shore	2015
Stuart E. Winfrey, Co-founder/Co-owner, Winfrey's Fudge & Chocolates	2015

OFFICERS

Michael J. Jones, President & Chief Executive Officer
Kimberly A. Rock, Executive Vice President & Chief Operating Officer
David E. Boudreau, Senior Vice President
Stephen P. Cote, Senior Vice President, Treasurer & Controllor
Patricia A. Ferguson, Senior Vice President
Thomas M. Hopp, Senior Vice President & Chief Information Officer
Lawrence R. Hunter, Senior Vice President
Robert C. LeGallo, Senior Vice President & Chief Financial Officer
Karen A. MacCormack, Senior Vice President & Senior Lender
Anna L. Makos, Senior Vice President
Tammy A. Roeger, Senior Vice President
Karl R. Wilson, Senior Vice President

VICE PRESIDENTS

Christine N. Allen	John A. LeBlanc
Wesley R. Barry	Bruce P. Macdonald
Mary Anne Clancy	Caroline M. Meagher
Rebecca L. Collins	Lori G. Rostkowski
Rebecca L. Conary	Christopher R. Sullivan
Katrina P. Cutts	Nancy J. Taylor
Marcia C. LaTorre	Hanson M. Webster
Melissa W. LeBel	

ASSISTANT VICE PRESIDENTS

Suzanne P. Bradford	Jennifer L. Kocur
Paula J. Bratt	Rachel R. Lachance
Marcia J. Budrow	Judith A. Langill
Sandra A. Corrao	Maria I. Medina
Dian M. Dastous	Deborah P. Sowards
Michelle M. DeSimone	Amy L. Smith
David S. Doucette	Joshua W. Tuff
Susan J. Ellis	Stephen J. VanDerwerken
Kathleen M. Ferreira	Almiris M. Verga
Mary T. Foote-Hill	Isaac Raymond Webster III
Theodore J. Garside	Jessica S. Yuhasz
Kerry A. Hamel-Pope	



SEMI-ANNUAL REPORT

JUNE 30, 2017



To Our Valued Customer:

It has been ten years since we completed our merger with Ipswich Co-operative Bank and I am truly honored to continue to serve as the 16th president of one of the oldest mutual savings banks in the country. I will forever be grateful to those who served before me and built the foundation that has allowed the Institution for Savings to transition into a strong regional bank.

I am incredibly proud of our talented team of employees for their hard work, commitment and dedication to the Bank which has resulted in many accomplishments and achievements over the past decade.

Ten years of growth, expansion and success June 2007-2017

- Total assets increased \$2.3 billion fueled by loan growth of approximately \$1.9 billion and nearly equally funded by deposit growth of \$1.9 billion
- Total capital increased \$156 million or 105%
- Gains on sales of investments before taxes were approximately \$126 million
- Contributions from the Bank to our 3 charitable foundations exceeded \$14 million
- Amended the Bank's bylaws to remain a mutual savings bank and that the main office will forever be in Newburyport
- Acquired Rockport National Bank in August 2014
- Full service retail offices increased from 3 to 14 along with five new educational offices
- Full time employees increased from 88 to 204
- The Boston Globe Top Places to Work for 10 consecutive years --- ranked #1 in 2011, 2013 and 2014

We continue to strive to attain our vision: *to positively affect the lives of every person, business and organization in the communities we serve.*

Throughout the past decade we have offered the best customer service, products and interest rates in the marketplace which in turn has allowed us to grow profitably while maintaining safe and sound business practices.

We have made significant contributions to education, athletics, health care and the environment; each of which has strengthened the communities we serve.

We are proud of our many accomplishments and achievements over the past ten years and we look forward to our future endeavors.

On behalf of our employees and trustees, I want to thank you, our customer, for your continued business and loyalty to the Institution for Savings. You are truly the reason for our success!

Sincerely,

Michael J. Jones
President & CEO



INSTITUTION FOR SAVINGS
Consolidated Balance Sheet
June 30, 2017 and 2007 (\$ In Thousands)

ASSETS	2017	2007
Cash and due from banks	\$ 161,574	\$ 14,470
Federal funds sold	3,010	38,744
Investment securities	446,719	260,360
Loans, less allowance for loan losses	2,318,184	465,987
Premises and fixed assets, net	36,069	14,191
Goodwill	9,435	-
Other assets	<u>110,900</u>	<u>15,357</u>
Total assets	<u><u>\$ 3,085,891</u></u>	<u><u>\$ 809,109</u></u>
 LIABILITIES AND EQUITY CAPITAL		
Deposits	\$ 2,474,019	\$ 591,440
Borrowings	280,410	44,920
Other liabilities	<u>27,484</u>	<u>24,322</u>
Total liabilities	<u>2,781,913</u>	<u>660,682</u>
Retained earnings	296,730	114,623
Accumulated other comprehensive income	<u>7,248</u>	<u>33,804</u>
Total equity capital	<u>303,978</u>	<u>148,427</u>
Total liabilities and equity capital	<u><u>\$ 3,085,891</u></u>	<u><u>\$ 809,109</u></u>
Tier 1 leverage capital ratio	9.66%	15.62%
Total loans to total assets	75.12%	57.59%

The financial statements of the bank are subject to examination by the FDIC, Office of the Commissioner of Banks and independent certified public accountants whose examinations and audit dates may differ from the June 30th date as reported above.

INSTITUTION FOR SAVINGS
Consolidated Statement of Income
Six Months Ended June 30, 2017 and 2007 (\$ In Thousands)

	2017	2007
Interest income:		
Interest and fees on loans	\$ 40,209	\$ 12,800
Interest and dividends on securities	5,958	6,996
Other interest	<u>657</u>	<u>112</u>
Total interest income	<u>46,824</u>	<u>19,908</u>
Interest expense:		
Interest on deposits	15,174	10,077
Interest on borrowings and other liabilities	<u>2,421</u>	<u>1,130</u>
Total interest expense	<u>17,595</u>	<u>11,207</u>
Net interest income	29,229	8,701
Other income:		
Service charges on deposit accounts	246	197
Other	<u>1,618</u>	<u>401</u>
Total other income	<u>1,864</u>	<u>598</u>
Operating expenses:		
Salaries and employee benefits	11,175	3,533
Premises and fixed assets	2,468	728
Other	8,257	1,772
Merger	-	242
FDIC & DIF insurance	543	42
Provision for loan losses	<u>570</u>	<u>124</u>
Total operating expenses	<u>23,013</u>	<u>6,441</u>
Income from operations	8,080	2,858
Contribution to Charitable Foundation/Other	(1,525)	-
Realized gains on securities	<u>14,421</u>	<u>3,128</u>
Income before taxes	20,976	5,986
Provision for income taxes	<u>3,310</u>	<u>1,714</u>
Net income	<u><u>\$ 17,666</u></u>	<u><u>\$ 4,272</u></u>
Income from Operations, net of tax	\$8,852	\$2,215
Return (net income) on average assets	1.21%	1.08%
Return (net income) on average equity	11.97%	5.76%
Net interest income on average assets	2.00%	2.30%

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