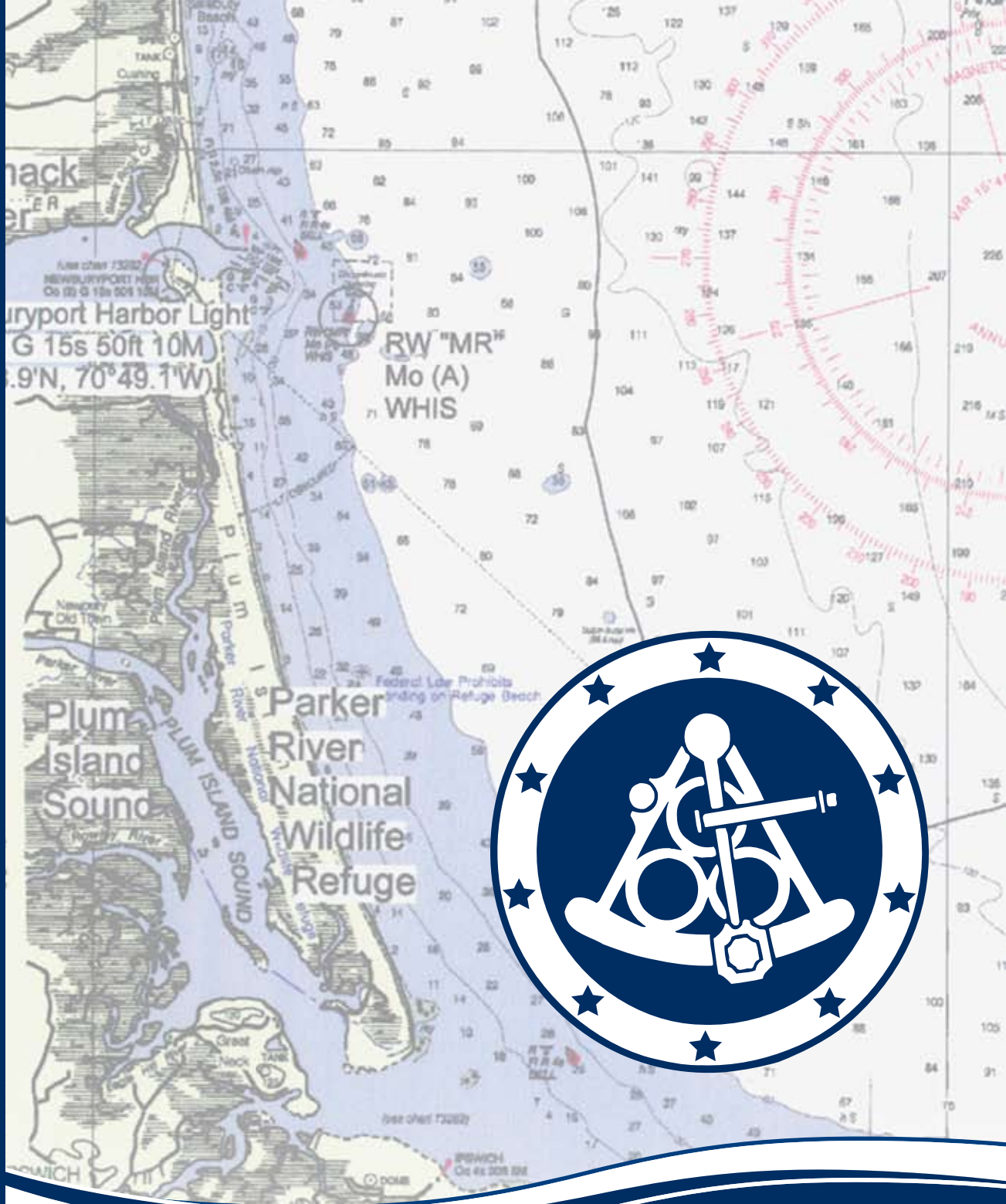


# 2011 ANNUAL REPORT



NEWBURYPORT FIVE CENTS BANCORP, MHC



• **GEIGER WALK**

For many years the bank has sponsored and participated in the annual Walk Against Violence which benefits the Jeanne Geiger Crisis Center in Newburyport. In 2011, this community fund raising event marked its 20<sup>th</sup> year and the bank's Trekker Team led the way. A few of the many employees who walked include (back row): Pam Rolfe, Lynne Carter, Wendy McFarland, Amanda Esposito, Laurie Lynch, Gretchen Girard (front row): Nancy Taylor, Debbie Eaton, Sandy Licciardo, Allison Hunt







## • **A LETTER from the PRESIDENT and CEO**

Dear Corporators, Directors, Employees and Customers,

Newburyport Five Cents Savings Bank enjoyed continued growth throughout 2011. The bank's financial performance is particularly noteworthy in light of the banking industry turmoil and uncertain economic conditions of the past several years.

Once again, we finished 2011 with a very strong financial rating and continue to be extremely well-capitalized.

### **Financial performance**

The bank's net income was \$5.8 million in 2011, loans increased to \$489 million, an increase of 3.9%, and deposits increased to \$459 million. Total assets also increased to \$635 million. Total surplus increased to \$96.4 million from \$90.6 million a year earlier. The bank's leverage ratio is now at 15.6%, establishing the bank as one of the strongest in Massachusetts.

Another impressive accomplishment for the year, demonstrating the strength of the bank, was the bank's total equity capital position increase of 4.9% over last year to \$98.9 million.

At the state level, the bank's Return on Assets (ROA) was the 15th highest of all of the 138 Massachusetts banks. The bank experienced a return on assets of 0.96% while the state average for the 138 state chartered banks was 0.49% for 2011.

At the national level, the Newburyport Five Cents Savings Bank ranks in the 95th percentile for net income out of all FDIC insured mutual savings banks having assets between \$300 million and \$1 billion.

### **Giving back is the best way forward**

An area we are particularly proud of is the bank's Spirit of Giving program. During 2011 alone, employees throughout all the branches delivered countless volunteer hours by collecting and making donations to more than 60 local non-profit organizations. I could not be more proud to see so many of our employees engaged and making a positive difference by participating in a program that strengthens our entire community.

### **Investing in technology**

One of our goals is to provide our deposit, mortgage, small business, and commercial lending customers a consistent banking experience across all delivery channels. As technology continues to advance new tools and resources for customers the banking environment must evolve as well. The bank remains committed to investing in technologies that deliver its products and services in the most convenient and secure formats.


### **Plotting a course**

We recognize the bank's long term success depends on the loyalty of our consumer and commercial customers, a loyalty we must continually earn by meeting and exceeding product, service, and community involvement expectations.

In closing, I would like to thank the Directors, Corporators and employees of Newburyport Five Cents Savings Bank for their service and energy, and to our customers for their business and trust. I would also like to acknowledge and thank Brian Butler and Richard Simkins for their many years of dedicated service as Directors of the bank.

I welcome the opportunity to discuss the bank's performance and direction at any time and look forward to another year of growth.

Sincerely,

  
Janice C. Morse  
President and CEO

# Community Involvement



## • NEWBURYPORT FARMERS' MARKET

Newburyport Five Cents Savings Bank along with Anna Jaques Hospital sponsors this very popular community market. Each Sunday thousands of people from near and far come to support local farmers. The bank also sponsored the Market's Fall and the North Shore's first Winter Market. The mission of the market is to support our local farmers, fishermen, chefs and creative community.

Pictured is one of the many local farmers selling herbs and flowers.



## TRITON HIGH SCHOOL •

In 2011 the bank made a \$20,000 donation to the Triton Education Foundation to establish the **Newburyport Five Cents Savings Bank College and Career Center** at Triton Regional High School. The Center allows students to connect with the Guidance staff in one room with nine networked computers to conduct college, career, and scholarship research. Additionally, the school plans to designate hours for public use as a college and career resource center and for adult education purposes.

Pictured L to R: Richard Eaton, Chairman, Newburyport Five Cents Savings Bank; Dr. Kristen Lazarro, Head of Guidance, Triton Regional High School; Janice Morse, President and CEO, Newburyport Five Cents Savings Bank





## • NEWBURYPORT HIGH SCHOOL

Newburyport Five Cents Savings Charitable Foundation awarded a \$60,000 grant to the Newburyport Education Foundation (NEF) for installation of a state-of-the-art **World Language Lab** at the Newburyport High School. The World Language Lab features state-of-the-art software and technology including 30 student workstations to accommodate larger class sizes and a teacher console. The lab maximizes time spent in each of the four core language skills; listening, speaking, reading, and writing. In addition, teachers now have the technology to measure students' progress and provide immediate feedback. The bank is a founding member of the NEF.

Celebrating the opening of the World Language Lab is (L to R): Janice Morse, President and CEO; Richard Eaton, Chairman; Marc Kerble, Ed.D, Superintendent of Schools



## • LOCAL BANK HAS GLOBAL 'FOOTPRINT'

Newburyport Five Cents Savings Bank collected approximately 2,000 pairs of shoes for people in need. This community initiative first started out as a response to the earthquake victims in Japan by the bank's Newbury branch. This eventually led to a partnership with the global nonprofit, Soles4Souls, which provides shoes for people in need throughout the world. Shoes were generously donated by the banks' customers and the community-at-large.

Pictured above (L to R): Courtney Lopes, Teller, Newbury branch; Janice Morse, President and CEO; Debbie MacDonald, Branch Manager, Newbury

# CONSOLIDATED BALANCE SHEETS

December 31, 2011 and 2010

(in thousands)

<b>Assets</b>	<b>2011</b>	<b>2010</b>
Cash and Due from Banks	\$1,769	\$1,901
Short-term Investments	11,747	14,162
<b>Total Cash and Cash Equivalents</b>	<b>13,516</b>	<b>16,063</b>
Securities Available for Sale	103,284	105,117
Federal Home Loan Bank Stock, at cost	6,670	6,670
Loans, net	489,431	471,229
Premises and Equipment, net	11,341	11,710
Prepaid FDIC Assessment	1,426	1,543
Other Real Estate Owned	-	-
Accrued Interest Receivable	2,237	2,272
Net Deferred Tax Assets	3,343	2,517
Other Assets	4,012	5,093
<b>Total Assets</b>	<b>\$635,260</b>	<b>\$622,214</b>
<b>Liabilities and Surplus</b>		
Deposits	\$459,344	\$455,391
Securities Sold Under Agreements to Repurchase	1,486	1,672
Federal Home Loan Bank Advances	67,794	64,656
Mortgagors' Escrow Accounts	843	766
Accrued Expenses	3,754	3,005
Other Liabilities	3,142	2,346
<b>Total Liabilities</b>	<b>536,363</b>	<b>527,836</b>
Surplus	96,431	90,573
Accumulated Other Comprehensive Income	2,466	3,805
<b>Total Equity Capital</b>	<b>98,897</b>	<b>94,378</b>
<b>Total Liabilities and Surplus</b>	<b>\$635,260</b>	<b>\$622,214</b>

# CONSOLIDATED STATEMENTS *of* INCOME

Years Ended December 31, 2011 and 2010

(in thousands)

	2011	2010
<b>Interest and Dividend Income</b>		
Interest and Fees on Loans	\$26,031	\$26,525
Interest on Debt Securities	3,211	3,396
Dividend Income	1,119	1,116
Interest on Short-term Investments	22	27
<b>Total Interest and Dividend Income</b>	<b>30,383</b>	<b>31,064</b>
<b>Interest Expense</b>		
Deposits	6,491	7,881
Federal Home Loan Bank Advances	1,830	2,402
Securities Sold Under Agreement to Repurchase	12	20
<b>Total Interest Expense</b>	<b>8,333</b>	<b>10,303</b>
<b>Net Interest Income</b>	<b>22,050</b>	<b>20,761</b>
Provision for Loan Losses	903	175
Net Interest Income, after Provision for Loan Losses	21,147	20,586
<b>Other Income</b>		
Customer Service Fees	328	313
Net Gain on Securities Available For Sale	1,347	1,238
Covered Call Option Income	180	251
Miscellaneous	546	340
<b>Total Other Income</b>	<b>2,401</b>	<b>2,142</b>
<b>Operating Expenses</b>		
Salaries and Employee Benefits	8,672	7,182
Occupancy and Equipment	1,547	1,539
Charitable Contributions	507	533
Advertising	511	571
Data Processing	924	699
Other General and Administrative	2,492	2,381
<b>Total Operating Expenses</b>	<b>14,653</b>	<b>12,905</b>
Income before Income Taxes	8,895	9,823
Provision for Income Taxes	3,037	3,317
<b>Net Income</b>	<b>\$5,858</b>	<b>\$6,506</b>

## TRUSTEES, OFFICERS *and* CORPORATORS

December 31, 2011

### NEWBURYPORT FIVE CENTS

### BANCORP, MHC

### OFFICERS

Richard A. Eaton  
Chairman

Janice C. Morse  
President and CEO

Timothy L. Felter  
Vice President and CFO

Lynne A. Carter  
Corporate Clerk

### TRUSTEES

John F. Allison  
Mark L. Audette  
J. Brian Butler  
James T. Connolly, Jr.  
Sharon M. Currier  
Richard A. Eaton  
Lucien R. Lacroix  
Dorothy R. LaFrance  
Jerry C. Lischke  
Charles W. Morse, III  
Janice C. Morse  
Vincent J. Russo, M.D.  
Edmund S. Shepard  
Richard A. Simkins  
Michael A. Webber

### HONORARY TRUSTEES

Donald M. Emerson  
Hazen C. Brown  
Robert F. Moore  
Sylvia B. Lunt  
Charles W. Morse, Jr.  
Benjamin Pearson, Jr.  
Jonathan G. Wells, III  
Robert A. Woodburn

### CORPORATORS

Robert H. Adams  
John F. Allison ★

Mark L. Audette ★  
Michelle Ault Fichera  
Kathleen E. Bailey  
Ronald P. Barrett  
Richard D. Bazirgan, Sr.  
Henry C. Becker  
Sandra A. Berkenbush  
Richard J. Bernier  
Cary S. Boyd  
Mark F. Bransfield  
C. Bruce Brown  
David H. Brown, Jr.  
J. Brian Butler ★  
Joseph K. Callahan  
Richard E. Capolupo  
Wayne P. Capolupo  
Philip J. Capolupo  
Lynne A. Carter  
Ralph C. Castagna  
Karen J. Chandler  
John S. Chiungos  
Lanceford M. Chong, M.D.  
Alfred G. Clifford  
Robin R. Pearson-Cogan  
Grace G. Connolly  
James T. Connolly, Jr. ★  
Joseph S. Costello  
Sharon M. Currier ★  
Stephen J. DeGuglielmo  
Mark A. DePiero  
Michael A. Donahue  
Geraldine M. Dorr  
Carole J. Dowling  
Andre Dubus, III  
Wayne H. Dupont  
Richard A. Eaton ★  
Scott A. Eaton  
Deirdre M. Farrell  
Alfred E. Fecteau  
Ruth A. Ferrari  
Kimberley A. Foulkes  
Albert J. Frangipane  
Mark S. Friery

Mary K. Ganz  
John C. Fritz  
David E. Greco  
John R. Grossi  
Ronald P. Guertin  
Jane Harris-Fale  
John D. Hartnett, Jr.  
Susan J. Harvey  
Nancy Haverington  
Victoria L. Hendrickson  
Daniel J. Herlihy  
George D. Hilton  
Thomas H. Hoare, Jr.  
Donna D. Holaday  
Craig G. Holt  
Edmond B. Howard  
Thomas H. Howard  
Janet H. Howell  
James J. Howlett  
Stefanie S. Hufnagel  
Jeanette Isabella  
Patricia C. Johnson  
Timothy W. Johnson  
Lester P. Jones  
Harvey E. Karl  
James L. Keenan  
Richard J. Kelleher  
Thatcher W. Kezer, III  
Jerry V. Klima  
Linda J. Kosakowski  
Bradley M. Kutcher  
Lucien R. Lacroix ★  
Dorothy R. LaFrance ★  
Ann M. Lagasse  
Michael J. Lagasse  
James Lagoulis  
William T. Lane  
James Laverdiere  
Jerry C. Lischke ★  
Robert F. Lynch  
Marc A. MacBurnie  
Diann M. May  
Dawn K. McCandless



Maria Miles  
Jason R. Moore  
Earl G. Morrill  
Bonita J. Morse  
Charles W. Morse, III ★  
Janice C. Morse ★  
Brian S. Mulcahy  
Brett P. Murphy  
Jill Haley Murphy  
Leslie R. Murray  
Amin Nabhan  
Jeffrey D. Nahas  
Thomas F. O'Brien  
Ann M. Ormond  
William T. Partridge, Jr.  
Anthony E. Penski  
George J. Pentoleros

Dolores J. Person  
William K. Piercey  
Joel F. Plastridge  
David S. Pritchard  
David C. Proctor  
George E. Reardon  
Marilyn J. Reardon  
Michael A. Reilly  
Frank A. Remley  
Mark A. Richey  
David W. Roberts  
Richard W. Ronder  
Louis A. Rubenfeld  
Vincent J. Russo, M.D. ★  
Sandra R. Sadowski  
Deborah A. Scott  
Edmund S. Shepard ★

Richard A. Simkins ★  
Patricia L. Skibbee  
Deborah M. Smith  
Austin Spinella  
Richard S. Thurlow  
Kevin M. Wallace  
Michael A. Webber ★  
Peter E. Welch  
Dennis A. Welcome  
Rosemary E. Werner  
Jay S. Williamson  
Mary E. Williamson  
Dean A. Wills  
Jeffrey C. Woodburn  
Robert A. Woodburn  
Lela C. Wright

★ *Trustees*

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## **BANK OFFICERS** December 31, 2011

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**Richard A. Eaton**  
Chairman of the Board

**Janice C. Morse**  
President & CEO

**Marc A. MacBurnie**  
Executive Vice President

**Scott A. Eaton**  
Senior Vice President

**Kimberley A. Foulkes**  
Senior Vice President

**Timothy L. Felter**  
Vice President/  
Treasurer

**Susan M. Ballard**  
Vice President/  
Compliance Officer

**Karen A. Baptiste**  
Vice President/  
Compliance Officer

**Kellie J. Wood**  
Vice President

**Sandra Licciardo**  
Vice President/  
Controller

**Lynne A. Carter**  
Corporate Clerk

**Peter B. Matthews**  
Assistant Vice President

**Keri A. Sullivan**  
Assistant Vice President

**Scott A. Terry**  
Assistant Vice President

**Amanda J. Esposito**  
Assistant Treasurer

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## **BRANCH MANAGERS**

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**Erica Brooks-Sayers**  
Amesbury/Assistant Treasurer

**Susan M. Brown**  
Salisbury/Assistant Treasurer

**Deborah E. MacDonald**  
Newbury/Assistant Treasurer

**Claire T. Mills**  
Storey Ave/Assistant Treasurer

## 2011 Bank Donations: \$507,000

ACTS for ACS  
 American Cancer Society  
 American Heart Association  
 American Red Cross  
 Amesbury Educational Foundation Inc.  
 Amesbury Breast Cancer Golf Fundraiser  
 Amesbury Celebrates  
 Amesbury Chamber of Commerce  
 Amesbury Days Inc.  
 Amesbury Elementary School  
 Amesbury Emergency Management  
 Amesbury Fire Dept-Sibley Relief Assoc.  
 Amesbury High School  
 Amesbury High School Grad Night  
 Amesbury High School Student Council  
 Amesbury Holiday Parade Committee  
 Amesbury Lions Club  
 Amesbury Little League  
 Amesbury Middle School  
 Amesbury Police Association  
 Amesbury Police Department  
 Amesbury Rotary Club  
 Amesbury Youth Hockey League  
 Anna Jaques Hospital Aid Association  
 Assisted Living Center  
 AYRBall  
 Belleville Congregational Church  
 Belleville Improvement Society  
 Best Foot Forward  
 Boston Marathon Jimmy Fund Walk  
 Boy Scouts of America  
 Boys & Girls Club of Lower Merrimack Valley  
 Brain Injury Association of New Hampshire  
 Brown School  
 Byfield Community Arts Center  
 Byfield Fire Department  
 Christmas Tree Santas  
 City Improvement Society Of Newburyport  
 Clippers Lacrosse  
 Coastal Connections Inc  
 Coastal Homebuyer Education  
 Coastal Trails Coalition  
 Community Outreach Committee Inc.  
 Community Service of Newburyport  
 Custom House Maritime Museum  
 Discs Over Amesbury  
 Elder Services of Merrimack Valley Inc.  
 Endangered Breeds Association  
 EPUMC-VBC  
 Exchange Club of Greater Newburyport  
 Exit Dance Theatre  
 First Religious Society  
 Friends of Moseley Woods  
 Friends of Newbury Council on Aging  
 Friends of Newburyport Hockey Association  
 Friends of Salisbury Public Library  
 Friends of the Amesbury Public Library  
 Friends of the Maudslay State Park Assn.  
 Friends of the Newburyport Public Library  
 Friends of the Salisbury Council on Aging  
 G.A.R. Memorial Library  
 Garry F. Doyle Memorial Golf Tournament  
 Girl Scouts of Eastern Massachusetts  
 Great Meadow Village Tenant's Organization

Greater NBPT Assoc of Realtors  
 Greater Newburyport Chamber of Commerce  
 Grog Restaurant/Chili Cookoff  
 Hampton Area Chamber of Commerce  
 Harbor Schools & Family Services  
 Historical Society of Old Newbury  
 Home Health VNA  
 Horizon Club  
 Immaculate Conception  
 JDRF  
 Jeanne Geiger Crisis Center  
 Larry Fournier Memorial Hockey Tourney  
 Leo Almeida Memorial Fund  
 Link House Inc  
 LINKS FOR LINDA  
 Lowell's Boat Yard  
 Masonic Angel Fund  
 Mass Audubon at Joppa Flats  
 Mass Most Wanted TIP Program  
 Massachusetts Bankers Association  
 Charitable Foundation Inc.  
 Maudslay Arts Center Inc.  
 Merrimack Fire Department  
 Merrimack Old Home Days  
 Merrimack Police Department  
 Merrimack Public Library  
 Merrimack River Feline Rescue Society  
 Merrimack Valley Chamber of Commerce  
 Merrimack Valley Hospice  
 Music For Music  
 Nathaniel Bibaud Recovery Fund  
 National Multiple Sclerosis Society  
 Newbury Equine Rescue  
 Newbury Police Department  
 Newbury Protection Fire Company #2  
 Newbury Town Library  
 Newburyport Adult & Community Education  
 Newburyport Choral Society  
 Newburyport Cleantech Center  
 Newburyport Education Foundation  
 Newburyport Elementary School PTO  
 Newburyport Fireman's Sick Benefit  
 Newburyport Education Foundation  
 Newburyport Gridiron Club  
 Newburyport Lions Club  
 Newburyport Lodge of Elks 909  
 Newburyport Parks Commission  
 Newburyport Pioneer League  
 Newburyport Rotary Club  
 Newburyport Waterfront Trust  
 Newburyport Youth Services  
 Newton Historical Society  
 NHS Athletic Dept  
 NHS Wall of Fame  
 Northern Essex Community College  
 Northern Essex Elder Transport  
 Opportunity Works  
 Our Neighbor's Table  
 Pennies for Poverty: 2 Cents 4 Change  
 Pentucket High School  
 Pentucket Middle School  
 Pentucket Youth Lacrosse  
 Plum Island Foundation  
 Pregnancy Care Center  
 R.A. Nock Middle School  
 Relay For Life-Amesbury

Rotary Club of Newburyport  
 Rowley Fire Department  
 Rowley Library  
 Rowley Police Dept-Restitution Account  
 Salisbury Babe Ruth Baseball  
 Salisbury Beach Partnership  
 Salisbury Firemen's Association  
 Salisbury Police Dept-Law Enforce Acct.  
 Salvation Army  
 Seabrook Library  
 Seabrook Police Association  
 Seabrook Professional Fire Fighters  
 Sons & Daughters of The First Settlers  
 South Hampton Fire/Rescue  
 South Hampton Police Department  
 South Hampton Public Library  
 Strawberry Banke Museum  
 The Actors Studio  
 The Arc of Greater Haverhill-Newburyport  
 The Cassidy Brown Foundation Inc  
 The Firehouse Center for the Arts  
 The Friends of the Council on Aging  
 The Justin Brace ALS Fund  
 The Kenneth Stanton Fund  
 The Newburyport Farmers Market  
 The Pettengill House  
 Timothy J. Oliveira Fund  
 Town of Newbury  
 Triton Education Foundation  
 Triton High School Golf Scholarship  
 Triton School Destination Imagination  
 Triton Youth Hockey  
 Turning Point  
 Veterans of Foreign Wars-Post 2016  
 Viking Gradventure  
 Wardwell Home  
 West Newbury Fire Co.  
 West Newbury Police Department  
 West Newbury PTO  
 Yankee Homecoming  
 YWCA Greater Newburyport

## 2011 Charitable Foundation Grants: \$172,000

Amesbury Council on Aging  
 Amesbury Public Schools  
 City of Newburyport  
 City of Newburyport Youth Commission  
 First Parish Church of Newbury  
 Friends for Peace  
 Greater Newburyport Opportunities  
 Jeanne Geiger Crisis Center  
 Jump Start Youth Connection, Inc.  
 Merrimack Valley Hospice House  
 Newburyport Art Association  
 Newburyport CleanTech Center  
 Newburyport Education Foundation, Inc.  
 Our Neighbors Table  
 Pentucket Education Foundation  
 ROOF Overhead Collaborative  
 The Pettengill House  
 The Salvation Army of Newburyport

# \$679,000



CO-SPONSOR  
2011 ANNUAL WINTER CARNIVAL, BARTLET MALL •





**MAIN OFFICE**

63 State Street  
Newburyport, MA 01950  
(978) 462-3136

**SALISBURY OFFICE**

Crossroads Plaza  
Salisbury, MA 01952  
(978) 462-8771

**NEWBURY OFFICE**

27 High Road  
Newbury, MA 01951  
(978) 462-2645

**STOREY AVE. OFFICE**

21 Storey Avenue  
Newburyport, MA 01950  
(978) 462-0722

**AMESBURY  
MAIN STREET OFFICE**

43 Main Street  
Amesbury, MA 01913  
(978) 388-1102

**FRIEND STREET OFFICE**

40 Friend Street  
Amesbury, MA 01913  
(978) 388-3157



**NEWBURYPORT**  
FIVE CENTS SAVINGS  
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