

Annual Report

December 31, 2018

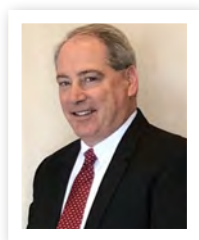


Haverhill Bank
Just One Bank

A letter from Haverhill Bank President Thomas L. Mortimer

Dear Fellow Depositors,

I am pleased to report Haverhill Bank generated a \$2.36 million profit for the year ending December 31, 2018 resulting in a ROA of .60%. This profit helped raise the bank's capital to \$41.5 million which equates to a 10.54% capital ratio. Total assets stood at \$394.1 million, a new record high. Haverhill Bank ended the year with \$294 million in net loans, an increase of \$8.36 million or 2.93% over the prior year. Deposits reached \$337 million, up a modest 1% from 2018. We are optimistic that the strong momentum from 2018 will continue into 2019.



Continued adherence to the community banking model has allowed Haverhill Bank to deliver to customers the convenience of local decision making, servicing and support for our communities through the hiring of local individuals. The Bank reinvests in the cities and towns it serves through both financial donations and volunteerism. I'm proud to report that in 2018, Haverhill Bank donated over \$320,000 and close to 2,000 hours of service to locally based non-profit organizations that assist our communities directly.

2018 marked the retirement of two longtime board members, Chairman Thomas R. Faulkner and Duncan C. Farmer, who dedicated over 60 years of combined service to Haverhill Bank. Faulkner joined the Bank as Assistant Treasurer in 1971 and served on the Board of Directors for over 40 years. He was promoted to President in 1980, a position he held until his retirement from day-to-day service in 2010. In addition to his work at the Bank, Tom has held leadership positions on the boards of the Greater Haverhill Chamber of Commerce, Haverhill YMCA, Greater Haverhill Foundation and Sacred Hearts School.

Duncan "Deke" Farmer was elected to the Bank's Board in 1997 and served on its Finance Committee. He has dedicated years of service to the boards of local non-profit organizations including Haverhill Kiwanis and Bethany Homes, where he founded the Bethany Bereavement Center in 1995. Both Tom and Deke have been exemplary in their roles as peers, board members



Haverhill Bank President, CEO and Chairman of the Board Thomas L. Mortimer, thanks retiring board members Thomas R. Faulkner and Duncan C. "Deke" Farmer.

and citizens. I would like to personally thank them for their many years of service to the Bank and to the Greater Haverhill community.

Finally, the bank could not be a success without our hard-working staff. Their dedication to providing exceptional products and services to our customer base is what sets the Bank apart.

On behalf of all of us at Haverhill Bank, I would like to thank our customers for their continued patronage. We look forward to serving you in the year ahead.

A handwritten signature in blue ink that reads "Thomas L. Mortimer". The signature is written in a cursive, flowing style.

Thomas L. Mortimer

President, Chief Executive Officer and Chairman of the Board

Haverhill Bank Statement of Condition

Assets

Cash and Due from Banks

Securities

Loans (net)

Premises and Fixed Assets

Other Assets

Total Assets

Liabilities

Deposits

Other Borrowed Money

Other Liabilities

Total Liabilities

Surplus

Accumulated Other Comprehensive Income

Total Surplus

Total Liabilities and Surplus

December 31, 2018

Published in accordance with provision of
General Laws Chapter 170, Section 18.

December 31, 2018

December 31, 2017

\$14,440,386

\$27,291,986

64,246,195

56,225,528

294,097,177

285,723,241

6,786,178

7,091,917

14,699,529

14,351,413

\$394,269,465

\$390,684,085

December 31, 2018

December 31, 2017

\$339,572,066

\$336,234,247

11,292,606

12,354,443

1,864,072

1,996,907

352,728,744

350,585,596

41,946,423

39,654,056

(405,702)

444,433

\$41,540,721

40,098,489

\$394,269,465

\$390,684,085

Commitment to Community

Haverhill Bank is built upon the foundation of the community banking model. In addition to local decision-making and servicing and the hiring of local individuals, the model's mission is to aid in the development and well-being of the communities we serve.



Vice President Retail Branch Administrator Duncan Clark and Compliance Assistant Linda Lamb are among the contestants at Liz Murphy Open Hand Pantry's Annual Pantry Chef fundraiser.



Branch Manager Ana Gonzalez presents the People's Choice trophy at Team Haverhill's River Ruckus Classic Car Show, sponsored by Haverhill Bank.

service club membership and sharing their expertise as board members of local non-profits.

A few of our many activities include:

Financial Literacy Programs

Each year, Haverhill Bank partners with Haverhill High School to present the Credit for Life Fair for students enrolled in the school's Financial Literacy Program. The Fair, in its fourth year, simulates real-life budgeting scenarios and is run by HHS teachers, Haverhill Bank staff and other local business professionals who donate their time and expertise to promoting financial literacy.

The Bank regularly supports local services and organizations through charitable giving, donating over \$320,000 to area non-profits in 2018. In addition to financial contributions on behalf of the Bank, employees donate countless hours to volunteerism,



Haverhill Bank staff celebrate in front of the Bank-sponsored and designed Santa float at Haverhill's Santa Parade.

Community Holiday Events

Haverhill Bank sponsors various annual holiday events such as the VFW Post 29 Santa Parade in Haverhill; Merrimac Santa Parade; Salem, N.H. Santa Parade; and the Greater Haverhill Chamber of Commerce's Christmas Stroll, to name a few. Employees and their families come together for these events to celebrate the season and give back to the communities they serve.

Employee Activities Committee

In addition to Haverhill Bank-sponsored events and charitable donations, employees volunteer their time and money to local organizations throughout the year by participating in the bank's Activities Committee. The Activities Committee promotes a monthly "jeans day," in which employees may pay a small fee in support of local non-profit organizations like Ozzie's Kids, Anchor of Hope Diaper Bank and Common Ground Food Pantry.

Officers

| | |
|------------------------------|---------------------------------------------------------------------------------|
| Thomas L. Mortimer..... | President, CEO Chairman of the Board |
| Harry J. Korslund, III | Senior Vice President, Senior Commercial Loan Officer |
| John Patriakeas | Senior Vice President, Chief Compliance Officer |
| John P. Teoli | Senior Vice President, Senior Lender |
| Charlette M. Weeden.. | Senior Vice President, CFO, Treasurer |
| Lise T. Zapatka | Senior Vice President, Information Technology, Operations, Marketing, Retail |
| Duncan O. Clark..... | Vice President, Retail Branch Administrator |
| Erin M. Daley..... | Vice President, Mortgage Specialist |
| Thomas O. Faulkner | Vice President, Mortgage Originator |
| Paul M. Frank..... | Vice President, Branch Manager |
| A. Richard Hanlon | Vice President, Commercial Lending |
| Denise M. Joslin | Vice President, Human Resources, Board Secretary |
| Janet F. Odenwelder..... | Vice President, Mortgage Originator |
| Kelly C. Quevillon..... | Vice President, Operations |
| Dorothy R. Tully | Vice President, Senior Underwriter, Production Manager |
| Stanley R. Ward..... | Vice President, Loan Servicing |
| James P. Henebry | Assistant Vice President Commercial Loan Officer |
| Deven M. Robinson..... | Assistant Vice President, Executive Administration Officer |
| Sherry L. Temple Pruyn | Mortgage Officer, Originator |
| Alison M. Barker..... | Branch Manager |
| Ana P. Gonzalez..... | Branch Manager |
| Marcos C. Melo | Branch Manager |

Board of Directors

Thomas L. Mortimer, Chairman of the Board

Paul M. Accardi

Joseph J. Bevilacqua

Stuart B. Davis

Dana A. Fields

Christos S. Papaefthemiou

William J. Barron, Esq.

Mary E. Carrington

William S. Faraci, Esq.

Kristin M. Murphy

Richard J. Sheehan, Jr., Esq.

Security Committee

Paul M. Accardi

William S. Faraci

Thomas L. Mortimer

Christos S. Papaefthemiou

Audit Committee

William J. Barron, Esq.

Joseph J. Bevilacqua

Mary E. Carrington

Stuart B. Davis

Dana A. Fields

Richard J. Sheehan, Jr., Esq.

Corporate Governance

Committee

William J. Barron

Joseph J. Bevilacqua

Mary E. Carrington

William S. Faraci

Kristin M. Murphy

Richard J. Sheehan, Jr.

Finance Committee

Paul M. Accardi

Stuart B. Davis

Kristin M. Murphy

Christos S. Papaefthemiou

Branch Locations

Main Office

180 Merrimack Street
Haverhill, MA 01830

Bradford Branch

163 South Main Street
Bradford, MA 01835

Rosemont Branch

1094 Main Street
Haverhill, MA 01830

Merrimac Branch

6 West Main Street
Merrimac, MA 01860

Salem Branch

396 Main Street
Salem, NH 03079

West Newbury Branch

281 Main Street
West Newbury, MA 01985

Haverhill High School

137 Monument Street
Haverhill, MA 01832

Whittier Regional Vocational Technical High School

115 Amesbury Line Road
Haverhill, MA 01830

Federal Deposit Insurance Corporation

Federal Home Loan Bank

Federal Reserve Bank of Boston

Massachusetts Bankers Association

New England Automated Clearing House

Independent Community Bankers of America

The Co-operative Central Bank Share Insurance Fund



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