



ANNUAL REPORT 2019

A common vision,
a shared purpose.



NORTH SHORE BANK

Well north of your expectations.SM



Chief Executive Officer, Kevin M. Tierney (left) and President and COO, Michael R. Wheeler

2019 Executive Message . . .

At North Shore Bank, our commitment to community banking is demonstrable. Through our actions – whether operational or philanthropic – we have always maintained an unwavering belief that we can be agents of change and make a real difference in the lives of the individuals, families and businesses located in the cities and towns we serve. With that in mind, we are extremely pleased to report that 2019 was another extraordinary year for North Shore Bank.

In April we announced our merger with Beverly Bank, a transaction which ultimately closed in October. This acquisition brought together two like-minded organizations, both of whom were chartered in 1888 and shared similar operating philosophies. Through this combination, we’re confident that we have created an even stronger community bank that is well positioned to meet the continuing needs of the marketplace.

As part of this transaction, we also took the opportunity to conduct a broad-based review of products and services, consolidating some account

types while adding others. We viewed this exercise as a chance to bring together the best of both organizations and used the occasion to augment our retail, business, and residential lending offerings. We think that the resulting product mix will be beneficial for both existing and new depositors and borrowers.

It was also a busy year in our branch network. In addition to the relocation of our Beverly office in February, we also recently opened a new Reading location as well as announced the 2020 relocation of our existing West Peabody branch, to a more visible site within the same busy shopping plaza. Besides creating opportunities in new markets, we’re confident that these moves will further enhance our position in existing ones.

Not surprisingly, North Shore Bank’s financial performance was quite strong in 2019, ending the year with almost \$1.4 billion in total assets. While much of this growth can be attributed to the merger, we nonetheless had strong performances from our core business lending and mortgage banking groups – with the loan portfolio increasing

by 67% year-over-year. It's also noteworthy that even with this growth, overall asset quality remained strong, and we achieved Net Operating Income of \$7.1 million. At year-end, our Equity Capital Ratio approached \$146 million, with our Risk-Based Capital ratio exceeding 14%.

Strong corporate citizenship has always been a priority at North Shore Bank and last year was no exception. Whether contributing financially at the corporate level, or by employees at the grass-roots level, the Bank supported a wide range of non-profits in 2019. Ultimately donating to more than 150 different groups, the Bank provided funding that targeted the housing, educational, and social welfare needs of the area. In addition, our employee-directed Jeans Day Program raised an additional \$17,000 in contributions to a host of area non-profits, bringing total contributions in that one program to over \$80,000 since its inception in 2015.

Besides these financial contributions, our bankers were again quite generous with their time and expertise. Serving on more than forty different area boards and committees, they provided strategic counsel to groups throughout the North Shore and beyond. Our staff also logged over 400 volunteer hours while assisting the efforts of local food pantries, homeless shelters, and group homes. In total more than half of our employees took part in some type of service-related activity this year — consistent with our organizational mission and contributing directly to the betterment of the greater community.

Throughout our history, the Bank has endured, no thrived, despite the vagaries of consumer sentiment, cyclical swings in the economy, large-scale societal changes, and even World Wars. Regardless of the challenge, we have adapted while steadfastly holding to our community roots. As we write this address, North Shore Bank is facing yet another challenge . . . this time in the manner of the COVID-19 pandemic. While we cannot predict what the coming days or weeks will bring, we do know that after 132 years of service, our strength, our commitment, and community-focus will once again get us through it together.



Chief Executive Officer
North Shore Bank



President and Chief Operating Officer
North Shore Bank



Consolidated Statement of Condition

(Dollars in thousands)

December 31st,

2019 2018

Assets

Cash & Due From Banks	\$ 13,789	\$ 9,170
Securities	138,243	105,299
Overnight Investments	27,126	10,107

Loans

Loans	1,151,416	713,229
Allowance for Loan Losses	(9,502)	(8,306)
Net Loans	1,141,914	704,923

Total Fixed Assets	21,002	12,610
Other Assets	44,635	28,397

Total Assets \$ 1,386,709 \$ 870,506

Liabilities

Deposits

Demand Deposits	\$ 244,969	\$ 153,900
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Interest Bearing Balances

MMDA Accounts	260,882	133,486
Savings Accounts	174,942	115,607
Time Deposits	374,874	214,295
NOW Accounts	105,119	76,418
Total Interest Bearing	915,817	539,806

Total Deposits 1,160,786 693,706

Borrowed Funds	69,713	75,059
Other Liabilities	10,553	6,946

Total Liabilities 1,241,052 775,711

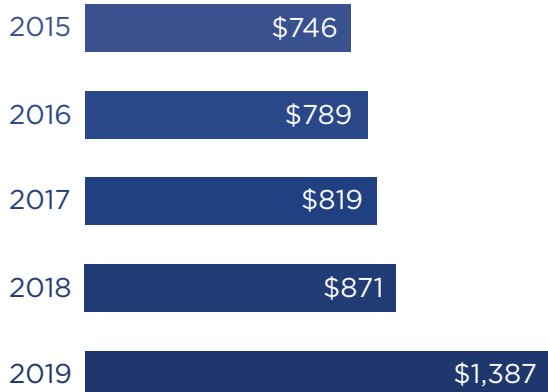
Equity Capital

Total Equity Capital	145,657	94,795
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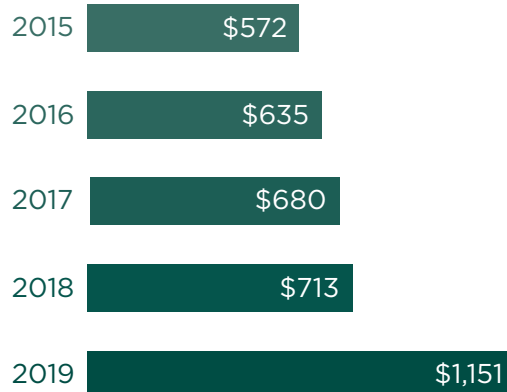
Total Liabilities and Equity Capital \$ 1,386,709 \$ 870,506

2019 Financial Highlights

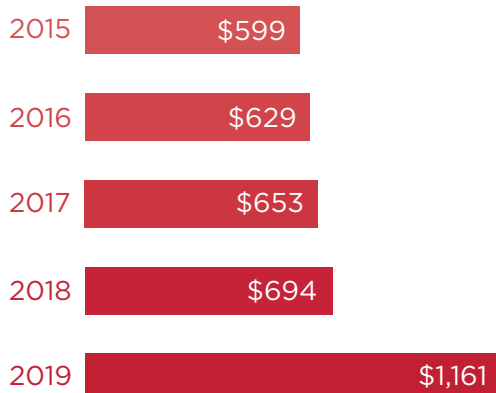
Total Assets | *in millions*



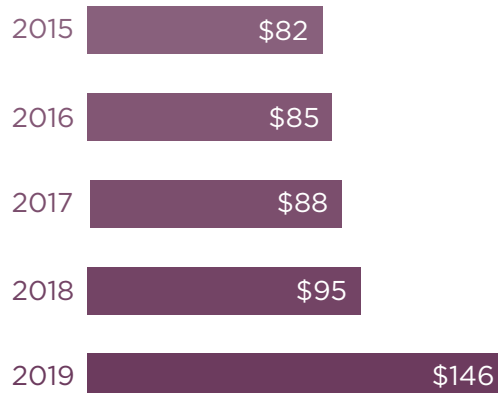
Total Loans | *in millions*



Total Deposits | *in millions*



Equity Capital | *in millions*



Directors

Jonathan N. Bursaw - Chairman of the Board

Thomas J. Alexander
Luis L. Azevedo
Jennifer Buras
Timothy F. Clarke
Bradley R. Gauthier
Andrew Goldberg
Charles E. Holden

Cynthia McGurren
Pamela Casey O'Brien
Monique Pelletier
Jayne Rice
Kevin M. Tierney, Sr. — Chief Executive Officer
Michael R. Wheeler
Richard A. Yagjian

Corporators

Nicholas Ambeliotis
Dave Altman
Stacy M. Ames
Stephen C. Archer
George W. Atkins
Curt Bellavance
Virginia Blazo
Jennifer Borggaard
Amanda R. Brinkley
Benoit J. Brodeur, Jr.
Michael D. Brown
George H. Carey, Jr.
Claudia F. Chuber
Ann Ciccarelli
Barbara A. Cleary
John D. Colucci
Joseph C. Correnti
Gary F. Cowles
Chad Crandell
John M. Dean
Andrew DeFranza
Patrick DeIulis
Paul Delios
Lee R. Dellicker
Fran Dichner
John A. Diskes
Thomas J. Durkin, III
Jamie Engel
Stephen J. Feron
Todd Fitzgerald
Kathleen Fowler
Anthony P. Fusco
Elizabeth Gibbons
John Glovsky

Mark L. Goldstein
David Gravel
Sandra M. Heaphy
Paul Herrick
Peter Hersee
William Howard
Corey Jackson
Jan Jefgood
Jane Johnson
Frank Kaminski
Ellen Kaplan
George R. Kaplan
John R. Keilty
Christopher Keohane
Elizabeth H. Kross
David J. LaFlamme
Roger D. LeBlanc
Daniel J. Lemieux
Chris Lovasco
Andrew Lutts
Kevin Lyons
Donald A. MacQuarrie
Jill Elmstrom Mann
Wayne Marquis
Albert Martins
Francis J. McCormack
Thomas McElligott
Mark Meche
David P. McKenna
Brent McKenelley
Carol McLeod
John E. Meserve
Robert W. Mitchell, Jr.
John F. Morello

Mark Mscisz
John Mullen
James M. Muse
Robert B. Nelson
Kristin Z. Noon
Anthony O'Donnell
Jonathan Ofilos
Darryl Parker
Jonathan Payson
Peter C. Pedro, Jr.
Dr. Samuel Penta
Chrystal Denmark Porter
Kevin F. Procopio
Dennis Quintal
Paul Richardson
Peter S. Routsos
Richard Russell
Joseph S. Sabelli
Linda Saris
James W. Shea
William H. Sheehan, III
Ira S. Singer
Michael T. Smerczynski
George J. Sophinos
Stephen E. Tarpey
Beth A. Tichy
John J. Vasapolli
Stephen T. Vesey
Suzanne Waite
Kathleen Walsh
William J. Woods
Christine M. Zampell
Pamela Zerber

North Shore Bank Officers

Executive

Kevin M. Tierney, Sr. – Chief Executive Officer
Michael R. Wheeler – President & COO

Finance

George J. Sophinos – EVP & Chief Financial Officer
Robert W. Mitchell, Jr. – Senior Vice President
Susan M. Petradelis – Vice President
Dorothy M. Roth – Vice President
Amanda P. Yim – Assistant Vice President

Human Resources

Beth A. Tichy – SVP & Human Resources Director
Liseth Flores – Vice President
Carol Varone – Assistant Vice President

Lending

Michael D. Brown – EVP & Chief Lending Officer
Peter D. Fenn – Senior Vice President
Matt LaFlamme – Senior Vice President
Steven C. Pettengill – Senior Vice President
Jerome J. Salerno – Senior Vice President
Ross T. Caswell – Vice President
Derek R. Devoe – Vice President
Joanne V. Donovan – Vice President
Richard E. Felteau – Vice President
Edward F. Fitzgerald, Jr. – Vice President
Rosemary Garcia Frost – Vice President
William S. Henning – Vice President
Cathryn L. Kent – Vice President
Patrick Langmaid – Vice President
Maureen E. Meletis – Vice President
Scott W. Myers – Vice President
Mary Beth O'Connell – Vice President
Dan J. Sousa – Vice President
John P. Ciesinski – Assistant Vice President
Sean P. Driscoll – Assistant Vice President
Daniel P. Giuliani – Assistant Vice President
Geoffrey T. Leahy – Assistant Vice President
Andrew J. Rowe – Assistant Vice President
Lisa Scopa – Assistant Vice President
Reena Scott – Assistant Vice President

Marketing

David A. Munroe – VP & Marketing Director
Diane R. Morris – Vice President
Christopher G. Pesce – Vice President

Operations & Information Technology

Kathryn V. Carty – SVP & Senior Operations Officer
Susan Cheever Shea – SVP – Project Management
Bryon D. Bua – Vice President
Gary A. Frost – Vice President
Heather Papows – Vice President
Sheryl A. Pompei – Vice President
Martha S. Bodek – Assistant Vice President
John J. Endslow – Assistant Vice President
Michael R. Zipper – Assistant Vice President

Retail Banking

Gayle Fili – Senior Vice President
Elizabeth A. White – Vice President
Diane M. Ayers – AVP & Customer Support Manager
Vanessa Bettencourt – AVP & Branch Manager
Robert L. Clattenberg – AVP & Branch Manager
Jodi Beth Landry – AVP & Branch Manager
Charles E. McGrath – AVP & Branch Manager
Suzanne L. O'Brien – AVP & Branch Manager
Maria A. Silva – AVP & Branch Manager
Mary Lou DaSilva – Branch Manager
Julieann Garland – Branch Manager
Jodi M. Houghton – Branch Manager
Kyle L. Marsh – Branch Manager
Kyle Perzanoski – Branch Manager
Erin M. Riley – Branch Manager
Kimberly A. Rossi – Branch Manager
Thomas A. Seyffert – Branch Manager
Megan Shea-Pereira – Branch Manager
Thomas J. Sulick – Branch Manager

Risk Management

William S. Beitler – SVP & Chief Risk Officer
Sherry M. Ambrose – Vice President
Kimberly A. Lovett – Vice President
Lisa F. Ryan – Assistant Vice President
Dawn R. Savoie – Vice President
Stephanie M. Tallo – Vice President



NORTH SHORE BANK

Well north of your expectations.SM

Beverly

- + 140 Brimbal Ave.
- + 254 Cabot Street
- + 63 Dodge Street
- + 48 Enon Street

Danvers

- + 48 Elm Street

Middleton

- + 237 South Main Street

Merrimac

- + One West Main Street

Newton, NH

- + 29 South Main Street

Peabody

- + 248 Andover Street
- + 637 Lowell Street
- + 32 Main Street
- + 167 Washington Street

Saugus

- + One Hamilton Street
- + 489 Lincoln Avenue
- + 412 Lynn Fells Parkway

Reading

- + 31 Harnden Street

Salem

- + 73 Lafayette Street
- + 319 Highland Avenue

northshore-bank.com | [f](#) [t](#) [@](#) [i](#) [v](#)

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