

As noted during the formal portion of this meeting, this week marks the twentieth anniversary of a remarkable occurrence here at the Bank. In 1993, we changed management at the Bank as a result of a proxy contest conducted and supported by a minority of the Board and outside shareholders. Such an occurrence is quite rare and almost unheard of in the banking industry. At a time before Sarbanes-Oxley and Dodd Frank and the emphasis on shareholder rights exemplified in “say on pay” votes included in our agenda today, our stockholders asserted themselves and established a new direction for this bank.

I am pleased to report that the strategies and practices we implemented those twenty years ago continue to provide consistently extraordinary results. Strong growth on both sides of the balance sheet. Deposits grew from \$787.6 million to \$869.9 million or 10%. Loans increased from \$849.8 million to \$949.7 million or 12% based upon a record \$355 million in loan originations - our total assets increased from \$1.127 billion to \$1.205 billion or 7%. As you can see, this growth has been strong, consistent, and planned.

The quality of this growth and of our loan portfolio in general is revealed by the next slide which compares non-performing assets to a peer group of similarly sized savings banks, all savings banks in Massachusetts, and lastly to the national industry average. Ours is less than one-third that of our peer and state averages and only a fraction of the industry average.

Along with the strong growth and exemplary asset quality, we have continued to operate the Bank with an appropriate degree of efficiency. The chart compares our operating expense ratio with that of our peer group and also that of all savings banks in Massachusetts. As you can see, we were again the most efficient of those banks. The chart indicates that is true for four years, but were we to go further back, it has been true for at least the last ten years.

This efficiency again produced record earnings - \$13.3 million up from \$12.1 million. On a comparative basis, again, the best of all of the 61 savings banks in Massachusetts (more than double that of the peer group but also significantly higher than that of our competitors both large and small). These earnings again produced a significant increase in the company's net worth and also allowed us for the 18th consecutive year to increase the cash dividends declared. This performance has been recognized by the market and the stock price has gone from \$47.80 at the beginning of 2012 to \$68.70 a week ago.

In addressing the changes over the last twenty years, it is also interesting to note that in comparing the performance of our stock to that of the S&P 500, we have experienced a 1,100% increase while the S&P has increased only 235%. This is before taking into consideration that

our cash dividends have generally trended much higher than the S&P 500 so that were we to compare the total return the difference would be even greater.

These achievements have been noted not only by the market but also by those companies that specialize in our industry such as Keefe, Bruyette, and Woods which again included us in their honor roll of the premier financial institutions in the country and SNL Financial which again ranked us as the #1 thrift institution in the East as well as our inclusion in such listings as the Globe 100 and others.

Ten years ago, at our 2003 annual meeting, I commented on how much had changed in the previous ten years. I personalized those comments a bit when I noted that ten years earlier my children had been attending grammar school up the street and then in 2003 the oldest had graduated from college and was working in Washington. Little did I realize that I would be standing here ten years later and that oldest would be here working with me.

Let me say that in all these years, I have been privileged to work with the wonderful people that have made our success possible. On the occasion of this anniversary, I also want to look back and thank some people who are no longer with us. Specifically, my dad, Tom Youngworth, and our dear friend Jim Consentino who passed away earlier this year. These individuals believed in a strong future for a focused and committed community bank. Their confidence in us provided us with the opportunity to create the bank that we have today.

It is in the spirit of their confidence and vision that we take this opportunity each year to acknowledge the outstanding contributions of a particular member of our team. This year, we are honoring an individual who has truly set an example for all of us in promoting the quality of customer service to which we all aspire. She has been with us for 9 years now and while we can't claim credit for training Jinnie (she worked for a very fine bank in Foxboro), we want to thank her for bringing a level of focus and enthusiasm that is unmatched.

That concludes my prepared remarks and I would be happy to try to answer any questions you may have at this time.