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ANNUAL REPORT TO MEMBERS

Last year was a challenging year for everyone, including Belmont Savings Bank. However, with the wonderful team we have, they were able to buckle down, persevere and keep the focus on our customers. With their efforts, we were able to make it through the year a stronger and more efficient customer friendly bank.

Net Income for 2020 was \$1,682,098. As we work towards building the foundation for years to come, we realized some extraordinary one-time expenditures during the year. We have made great strides in focusing our efforts on lending growth to subsidize interest income and anticipate making greater strides in 2021.

The Bank's overall capital position is a true performance test in measuring our short and long-term financial success, along with the continued viability of a mutual savings bank. The Bank's capital is now \$79,896,940, which represents 19.35% of total assets as of year-end 2020. The Bank continues to be considered well-capitalized per federal and state banking regulations.

The Bank generated tremendous loan growth during 2020, as total new money loans increased over \$50,500,000. This loan growth was equally distributed among commercial and retail lending. Through the PPP program, we were able to help 165 small businesses for a total of \$7,100,000. Our loan portfolio ended the year at \$133,447,928 and we will continue to increase our sales efforts in 2021.

As of year-end 2020, our securities portfolio totaled \$233,579,353. In response to economic conditions and a concentrated effort on loan growth, it has been our strategy to use the cash flow from investment paydowns to fund loan growth and reduce our outstanding borrowings rather than re-invest in extended maturity securities. Our decision to invest more in municipal securities will offer tax advantages and provide a higher yield.

Our efforts have been to increase our non-maturity deposit accounts, particularly checking accounts. We made great progress during the year as our checking accounts increased by almost \$13,000,000. Our total deposits ended the year at \$303,121,622. We have been working diligently during the past year to develop new business deposit products and online deposit account opening, which we anticipate will be rolled out in the first quarter 2021.

We want to thank our loyal customers for helping us through 2020 and weathering the storm of the pandemic. We recognize the challenges 2021 will bring and anticipate overcoming the obstacles they present. We have fantastic employees at each of our branches in Barnesville, Bellaire, Powhatan and St. Clairsville who go above and beyond to provide outstanding customer service daily. On behalf of our employees and Board of Directors, we thank you for your patronage and loyalty over the past year.

Please feel free to stop by my office anytime to talk with me. I invite you to follow us on social media and visit our new website: www.belmont-savings.com.

We look forward to continuing to service your banking needs. *How May We Help You Today?*

Respectfully Submitted,

Todd Cover, President and CEO