



TOGETHER WE CAN



StonehamBank | **2023** Annual Report



CEO Letter

As we reflect upon this past year, we are proud to share the achievements and progress our bank has made, reaffirming our commitment to excellence, innovation, and lasting partnerships. In an evolving financial landscape, StonehamBank has navigated challenges and embraced opportunities to strengthen our position as a trusted financial institution. Our dedication to providing exceptional service, fostering well-being and driving positive change in our communities remains unwavering.

INNOVATION FOR YOU

Our commitment to innovation continues to enhance the banking experience. In October 2022, we introduced our newly enhanced online banking platform. Through cutting-edge technology and personalized interactions, we are empowering our customers to achieve their financial goals, with greater ease and convenience.

COMMUNITY

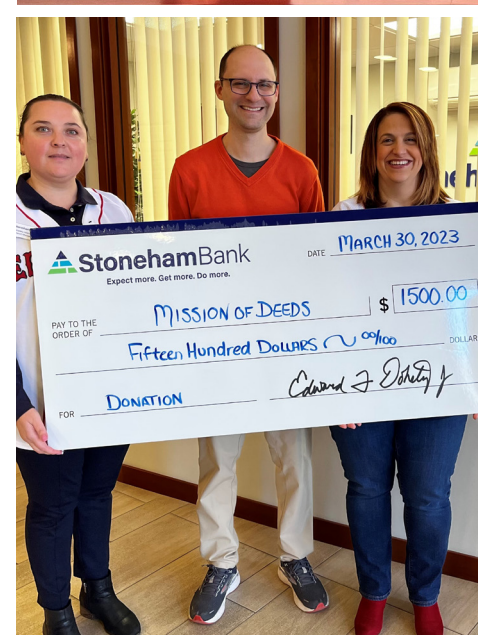
Beyond financial performance our dedication to the community remains a cornerstone of our values. Through our Community Giving we positively impacted organizations with over \$289,000.00 in donations.

AHEAD WE GO

We will remain committed to operational excellence and innovation ensuring that we continue to provide value to our customers and build a resilient future.

Thank you for your trust in StonehamBank. Here's to a future of growth, partnership, and shared success. We will continue to live the promise of StonehamBank's tagline – Expect more. Get more. Do more.

Edward F. Doherty Jr.
President
Chief Executive Officer



Consolidated Balance Sheets

April 30, 2023 and 2022

	2023	2022
	(In Thousands)	
Assets		
Cash and cash equivalents:		
Cash and due from banks	\$ 23,777	\$ 17,024
Short-term investments	2,812	4,368
Total cash and cash equivalents	<u>26,598</u>	<u>21,392</u>
Securities available for sale	97,359	113,480
Equity Securities	4,709	6,231
Federal Home Loan Bank stock, at cost	4,186	3,408
Loans held for sale	-	-
Loans, net	601,131	543,039
Premises and equipment, net	9,363	9,294
Net deferred tax asset	6,030	5,025
Accrued interest receivable	2,880	2,633
Current taxes receivable	-	464
Other assets	2,079	1,726
Total assets	<u>\$ 754,326</u>	<u>\$ 706,692</u>
Liabilities and Capital		
Liabilities:		
Deposits	\$ 598,940	\$ 571,341
Borrowed Funds	93,248	73,623
Current tax payable	61	-
Mortgagors' escrow accounts	1,886	1,126
Accrued expenses and other liabilities	1,686	1,828
Total liabilities	<u>695,801</u>	<u>647,918</u>
Capital:		
Surplus	73,479	69,948
Accumulated other comprehensive income	(14,954)	(11,174)
Total capital	<u>58,525</u>	<u>58,774</u>
Total liabilities and capital	<u>\$ 754,326</u>	<u>\$ 706,692</u>

Consolidated Statements of Income

Years Ended April 30, 2023 and 2022

	2023	2022
	(In Thousands)	
Interest and dividend income:		
Interest and fees on loans	\$ 23,296	\$ 20,498
Interest and dividends on securities and Federal Home Loan Bank of Boston stock	3,231	2,729
Total interest and dividend income	<u>26,527</u>	<u>23,227</u>
Interest expense:		
Interest on deposits	3,104	910
Interest on borrowed funds	2,139	1,128
Total interest expense	<u>5,243</u>	<u>2,038</u>
Net interest and dividend income	21,284	21,189
Provision for loan losses	-	-
Net interest and dividend income after provision for loan losses	<u>21,284</u>	<u>21,189</u>
Other income:		
Customer service fees	1,778	1,549
Mortgage banking activities, net	276	251
(Loss)/gain on equity securities, net	(132)	79
(Loss)/gain on sales and calls of securities available for sale, net	(15)	271
Miscellaneous	305	276
Total other income	<u>2,212</u>	<u>2,426</u>
Operating expenses:		
Salaries and employee benefits	10,793	10,578
Data processing	2,972	2,506
Occupancy and equipment, net	995	1,737
Marketing and advertising	633	696
Deposit insurance	229	181
Other	3,197	3,548
Total operating expenses	<u>18,819</u>	<u>19,246</u>
Income before income taxes	4,677	4,369
Provision for income taxes	1,146	1,056
Net Income	<u>\$ 3,531</u>	<u>\$ 3,313</u>

2023 Financial Highlights

ASSET GROWTH **6.7%**

SURPLUS CAPITAL GROWTH **5%**

MARGIN **2.95%**

ROAA **0.49%**

ROE **6.11%**

TIER ONE CAPITAL **9.77%**

Every dollar in our Bank is insured by the FDIC and the DIF. You can be confident that it's always available to you when you want it. We're here, in your community every day, available to help you in person, on the phone and online.



The Optimum Pledge Our community is our family. That's why up to 10% of our profits go to worthwhile causes that benefit the people in our community. When you bank with us, you are part of this powerful initiative.

StonehamBank
Expect more. Get more. Do more.

MISSION

StonehamBank is a progressive financial institution that provides comprehensive financial services to fulfill customer needs while maintaining financial stability and soundness.

VISION

To have StonehamBank viewed by our customers as their preferred financial partner by consistently exceeding both customer and colleague expectations.

VALUES

Service
Empowerment
Responsibility
Volunteerism
Integrity
Customer Focus
Excellence

In 1887, StonehamBank was established to serve the financial needs of the Stoneham community.

For over 130 years, the Bank has been committed to providing first-rate customer service, state-of-the-art technology and a wide range of banking products. By applying tried and true banking principles, StonehamBank is well positioned to serve our customers' needs.

In recent national ratings of financial institutions, StonehamBank was highly rated as compared to its peers.

Directors

Janice T. Houghton Chair of Board of Directors	John R. Cullen, Jr. Michael P. Dalton
John J. Melkonian Vice-Chair of Board of Directors	James T. McIntyre Gilbert A. Moreira
Patricia A. Brady Frederick A. Ciampa	M. Daria Niewenhous Aricia A. Symes-Elmer
Lorene A. Comeau	

Management Team

Edward F. Doherty, Jr. President Chief Executive Officer	Gregory M. D'Antona Senior Vice President Chief Risk Management Officer CRA/Fair Lending Officer
Anna Dinis Senior Vice President Chief Experience Officer	Darren R. Sawicki Senior Vice President Chief Operating Officer
Tom Marshall Senior Vice President Chief Information Officer	Kevin Marquis Senior Vice President Chief Commercial Lending Officer
Shane Bellavance Senior Vice President Chief Residential Lending Officer	

- Bauer Financial recently ranked StonehamBank with its highest rating of FIVE STARS.
- IDC rated StonehamBank SUPERIOR which is defined as follows: "Savings institutions rated Superior are simply the best by all measures. They are well capitalized with minimal loan delinquency. Operating expenses and costs of funding are under control, producing a healthy return on assets (ROA). A number of them enhance value by earning a return of equity (ROE) above cost of equity (COE)."

