



StonehamBank | **2022** Annual Report



## CEO Letter

When StonehamBank was founded more than 135 years ago, the heart, soul, and reason for the bank was to serve the community. That is as true as ever today.

Our employees act with the utmost accountability, responsibility, and integrity, and simply provide a higher level of service than other banks. We are empowered to make customer-centric decisions that fit the unique needs of every person we serve.

In turn, we empower our customers with the tools and products they need to achieve financial stability and success.

As a forward-looking institution, we encourage visionary thinking on behalf of our personal and business banking customers. StonehamBank strives to consistently exceed expectations not only in the banking arena, but in volunteer service and other contributions to our community, as we have done since 1887.

As we grow and evolve, we will continue to reflect the commitment we have toward service, integrity, and community. We will continue to live the promise of StonehamBank's tagline – Expect more. Get more. Do more.

Edward F. Doherty Jr.  
Chief Executive Officer



## Consolidated Balance Sheets

April 30, 2022 and 2021

### 2022 Financial Highlights

ASSET GROWTH	4%
CAPITAL GROWTH	5%
MARGIN	3.13%
ROAA	0.48%
ROE	4.85%
TIER ONE CAPITAL	10.80%

	2022	2021
	(In Thousands)	
<b>Assets</b>		
Cash and cash equivalents:		
Cash and due from banks	\$ 17,024	\$ 49,139
Short-term investments	4,368	4,312
Total cash and cash equivalents	21,392	53,451
Securities available for sale	113,480	117,298
Equity Securities	6,231	7,127
Federal Home Loan Bank stock, at cost	3,408	3,653
Loans held for sale	–	342
Loans, net	543,039	482,867
Premises and equipment, net	9,294	9,032
Net deferred tax asset	5,025	1,794
Accrued interest receivable	2,633	2,543
Current taxes receivable	464	64
Other assets	1,726	1,768
Total assets	\$ 706,692	\$ 679,939
<b>Liabilities and Capital</b>		
Liabilities:		
Deposits	\$ 571,341	\$ 546,070
Borrowed Funds	73,623	63,123
Mortgagors' escrow accounts	1,126	830
Accrued expenses and other liabilities	1,828	2,412
Total liabilities	647,918	612,435
Capital:		
Surplus	69,948	66,635
Accumulated other comprehensive income	(11,174)	869
Total capital	58,774	67,504
Total liabilities and capital	\$ 706,692	\$ 679,939

## Consolidated Statements of Income

Years Ended April 30, 2022 and 2021

	2022	2021
	(In Thousands)	
Interest and dividend income:		
Interest and fees on loans	\$ 20,498	\$ 20,373
Interest and dividends on securities and Federal Home Loan Bank of Boston stock	2,729	1,913
Total interest and dividend income	23,227	22,286
Interest expense:		
Interest on deposits	910	2,072
Interest on borrowed funds	1,128	1,607
Total interest expense	2,038	3,679
Net interest and dividend income	21,189	18,607
Provision for loan losses	–	400
Net interest and dividend income after provision for loan losses	21,189	18,207
Other income:		
Customer service fees	1,549	1,429
Mortgage banking activities, net	251	1,648
Gain (loss) on equity securities, net	79	2,350
Gain on sales and calls of securities available for sale, net	271	380
Miscellaneous	276	115
Total other income	2,426	5,922
Operating expenses:		
Salaries and employee benefits	10,578	10,052
Data processing	2,506	2,434
Occupancy and equipment, net	1,737	1,757
Marketing and advertising	696	499
Deposit insurance	181	188
Other	3,548	2,747
Total operating expenses	19,246	17,714
Income before income taxes	4,369	6,452
Provision for income taxes	1,056	1,529
Net Income	\$ 3,313	\$ 4,923

## 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. James T. McIntyre
John J. Melkonian Vice-Chair of Board of Directors	Gilbert A. Moreira M. Daria Niewenhaus
Patricia A. Brady	Eugene M. Passaro
Frederick A. Ciampa	Aricia Symes-Elmer
Donald R. Clarke	
Lorene A. Comeau	

### Management Team

Edward F. Doherty, Jr. Chief Executive Officer	Shane Bellavance Senior Vice President Chief Residential Lending Officer CRA/Fair Lending Officer
Marianne Cacciola Senior Vice President Chief Financial 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

- 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)."

