

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.

- **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)."**

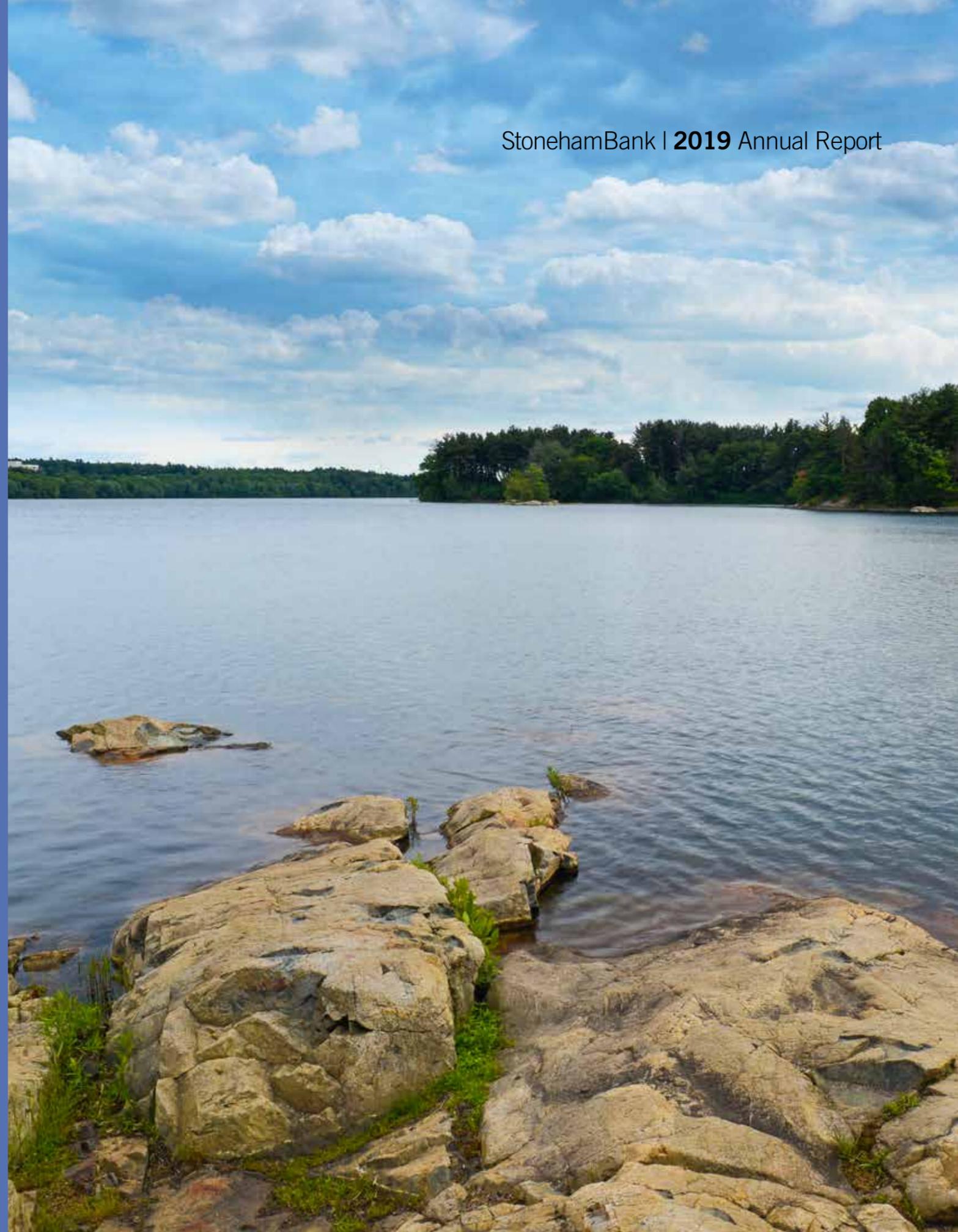


IDC Rating – Superior



Expect More. Get More. Do More.

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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.

Consolidated Balance Sheets April 30, 2019 and 2018

	2019	2018
	(In Thousands)	
Assets		
Cash and cash equivalents:		
Cash and due from banks	\$ 4,030	\$ 6,694
Short-term investments	857	891
Total cash and cash equivalents	<u>4,887</u>	<u>7,585</u>
Securities available for sale, at fair value	71,083	55,123
Federal Home Loan Bank stock, at cost	4,079	5,614
Loans held for sale	1,906	1,621
Loans, net	500,392	516,282
Premises and equipment, net	9,384	9,671
Net deferred tax asset	1,915	1,918
Accrued interest receivable	1,830	1,611
Co-operative Central Bank deposit	451	451
Current Taxes Receivable	159	344
Other assets	2,128	2,147
Total assets	<u>\$598,214</u>	<u>\$602,367</u>
Liabilities and Capital		
Liabilities:		
Deposits	\$ 462,626	\$ 434,081
Federal Home Loan Bank of Boston advances	72,011	107,881
Mortgagors' escrow accounts	1,056	1,275
Accrued expenses and other liabilities	2,971	3,824
Total liabilities	<u>538,664</u>	<u>547,061</u>
Commitments and contingencies (notes 8, 9, 11 and 12)		
Capital:		
Surplus	59,384	55,852
Accumulated other comprehensive income	166	(546)
Total capital	<u>59,550</u>	<u>55,306</u>
Total liabilities and capital	<u>\$598,214</u>	<u>\$602,367</u>

Consolidated Statements of Income Years Ended April 30, 2019 and 2018

	2019	2018
	(In Thousands)	
Interest and dividend income:		
Interest and fees on loans	\$ 22,700	\$ 22,768
Interest and dividends on securities and Federal Home Loan Bank of Boston stock	2,278	1,761
Total interest and dividend income	<u>24,978</u>	<u>24,529</u>
Interest expense:		
Interest on deposits	4,064	2,283
Interest on Federal Home Loan Bank of Boston advances	1,725	1,615
Total interest expense	<u>5,789</u>	<u>3,898</u>
Net interest income	19,189	20,631
Provision for loan losses	550	100
Net interest income after provision for loan losses	<u>18,639</u>	<u>20,531</u>
Other income:		
Customer service fees	1,511	1,462
Mortgage banking activities, net	924	1,156
Gain on sale of securities, net	763	412
Miscellaneous	103	251
Total other income	<u>3,301</u>	<u>3,281</u>
Operating expenses:		
Salaries and employee benefits	10,454	11,019
Occupancy and equipment, net	1,648	1,682
Data processing	2,147	2,038
Deposit insurance	268	259
Marketing and advertising	590	716
Other	2,080	2,286
Total operating expenses	<u>17,187</u>	<u>18,000</u>
Income before income taxes	4,753	5,812
Provision for income taxes	1,221	2,490
Net Income	<u>\$ 3,532</u>	<u>\$ 3,322</u>