



# Looking Forward

2018 Annual Report



*"Giving back to our communities isn't just something we do at Avidia; it's who we are."*

Mark O'Connell  
President & CEO



## A Letter from the President

### Looking Forward to Help Local People - and Businesses Prosper

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As we move forward into 2019, which will commemorate Avidia Bank's 150th anniversary, we do so from a position of financial strength after completing an unprecedented year of earnings and deposit growth.

Powered by federal tax cuts, sound planning and the hard work, dedication, and skill of our exceptional employees, in 2018, we achieved the highest net income in our history --\$11.6 million. While many banks and other financial institutions struggled to increase deposit growth, Avidia achieved record growth, taking in more than \$180 million in deposits. We accomplished this through strong increases in health savings accounts (HSAs) and business deposits.

Our seasoned Commercial Relationship Officers and commitment to the community were instrumental in helping us win their deposit business and their trust. Our willingness to lend helped us earn recognition as the U.S. Small Business Administration (SBA) "Lender of the Year to Manufacturers" for Massachusetts,

our second SBA award during the past three years.

While our growth has had a strong impact on our financial statements, we are most proud of the direct impact it has had in the lives of our customers and employees, and in the hearts of our communities. With no stockholders or dividends to pay we were free to give back to our customers, employees, and communities in a number of ways in 2018. We created new and innovative products to help individuals at all stages of life – from early savings programs for adolescents to innovative CDs to help young families achieve their goals of purchasing homes without sacrificing liquidity. We also invested in our valued employees by increasing the minimum wage to \$15 an hour.

Even with our record growth and performance, Avidia has been and will always be the bank that listens to its customers and allows them to move forward in ways that are most meaningful to them. It is why we work to strike a balance between offering

technological and personal services. We are proud to be a leading community bank in technology – one that is not afraid to invest in new services or forge innovative partnerships – to deliver faster, easier, and more convenient ways for our customers to bank. We're also proud to be the bank that's staffed with local people who not only know their customers, but also have built long-standing personal relationships with them.

In 2018, we continued to strive to reach new customers in new markets. These efforts were reflected with the success of our Framingham branch, which celebrated its one-year anniversary. In the coming year, we hope to build new relationships in all our communities through a strategic marketing and rebranding initiative designed to increase awareness of Avidia and our commitment to helping local consumers and businesses prosper.

Our commitment to staying attuned to the needs of our

customers was only part of the work we did in 2018; we also continued to respond to the ever-changing needs of all the communities we serve. In 2018, we provided more than \$250,000 in donations to non-profit organizations through our Charitable Foundation, and funded projects that make our communities stronger, such as the rehabilitation of the Carter School in Leominster. Giving back to our communities isn't just something we do at Avidia; it's who we are.

As we look ahead into 2019, when we will celebrate 150 years of service to our communities, we will continue to build on the solid foundation that has led to our historic and long-term success – to do whatever it takes to help our customers and communities move forward.

Thank you for your support.



# What is Forward?

Avidia is on the forefront of banking technology, looking for ways to help families, individuals, professionals, and businesses bank easier and at the same time never forgetting our roots.

Forward is a concept created based on our mantra: "Forward Thinking. Community Driven." It is the foundation of our business to help our community and local businesses thrive.

Throughout this annual report, you will see how Avidia's commitment to this idea shines through in everything we do daily from the first moment customers find us online to servicing their deposit account or loan behind the scenes.

*Bank with Avidia. Bank Forward.*

*"In 2019, we'll continue to look for ways to enhance experience and make our website more accessible to all."*





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(L-R) Jessica Bonetti  
& Sonia Mahnot



## Delivering a More Inclusive Online Experience

**Most people recognize** that the web has made it easier to manage everyday tasks, such as banking, shopping, even making travel arrangements. What many of us don't often realize is that **the way we experience websites** – such as the colors, flashy photos, and links – is not the same for everyone, especially for those living with disabilities.

Individuals with visual, hearing, motor impairments, and other challenges have very unique needs when it comes to navigating websites. **Many rely on assistive technologies, such as screen readers and adaptive devices.** Unfortunately these devices many not reflect some aspects of website design and content, such as photos and text treatments. For those who need to locate and use accurate information to make financial decisions or purchase products or services online, this puts them at a distinct disadvantage; the

equivalent of an individual in a wheelchair attempting to access a store without handicap access. As part of the Americans with Disabilities Act (ADA), the Justice Department created a set of Web Content Accessibility Guidelines (WCAG) to **ensure content be made more accessible to those with disabilities.**

In 2018, Avidia took a proactive role to not only to meet the new guidelines, but also to uncover new ways to make financial life easier for those living with disabilities. "We dedicated significant resources to improve the accessibility and readability of our website, Avidiabank.com. As part of our efforts, **we recruited individuals with a range of disabilities to participate in focus groups to share their opinions about their online challenges** and how banks can provide a more inclusive online experience. We also conducted one-on-one usability interviews, which

allowed us to observe how individuals navigate our website and gather their feedback," said Sonia Mahnot, Digital Marketing Manager.

As a result of these inputs, Avidia made a number of changes, including **creating more descriptive links, using consistent headers on pages, and providing text descriptions on images** not detected by screen readers. We also made sure all our forms are properly labeled.

"Our work is just beginning. **ADA compliance is always evolving,** and we have a responsibility to stay educated on the latest ADA WCAG requirements. In 2019, we'll continue to look for ways to enhance the user experience and make our website more accessible to all," said Jessica Bonetti, AVP, Creative & Branding Manager.

## Building Individual Solutions to help people - at Every Stage of Life

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**There's no question**, today's consumers have more banking options than ever before. **How then can a community financial institution differentiate itself** and win the loyalty and trust of its customers? At Avidia, the answer is simple. "We have always tried not to think like a bank, but rather to think like our customers," said CarrieAnne Cormier, Vice President and Retail Banking Officer.

**Thinking like our customers means understanding the needs of each individual** – at each point in their lives – and then delivering customized solutions that respond to them. One of the ways Avidia accomplished this in 2018 was through the development of an innovative Certificate of Deposit (CD) that **allows customers to capitalize on higher guaranteed rates while having anytime access to funds**. This helped customers use traditional banking solutions in unique ways to meet their goals, such as saving for a down payment on a home or

saving for a wedding. Savers can build funds, but have the freedom to access money to meet unexpected expenses.

"Our approach to our customers has never been about pushing products or services to all customers; it's always been more about **building relationships with individual customers and tailoring products and services to meet their needs**," said Margaret Sullivan, Executive Vice President and Chief Financial Officer.

Avidia's commitment to meeting the needs of all its customers involved a careful review of the products and services it offers. "In 2018, we took a step back to look at the products and services we offered, asking some key questions, such as **Where can we can improve? What do our customers want?** How can we make things easier for them and educate them on how to use them?" said Cormier.

As a result of these efforts,

**products and services were streamlined and enhanced**, including Max Checking, a primary checking account that offers a competitive yield for balances up to \$25,000, along with ATM rebates. In addition, to attract young savers and foster financial literacy, the bank revamped its Max Savings Adventure program to offer events and rewards to encourage kids to make deposits.

**The goal of Avidia has never been in the quantity of products and services offered, but in the quality of what the bank provides**. "We understand that one product cannot be all things to all people, but we can take the time to understand what a customer needs and find a way to enhance that product to make it work for them. No matter what a customer needs, we will find a way to build it," said Sullivan.

That is what makes retail banking at Avidia truly different.

*"We have always tried not to think like a bank,  
but rather to think like our customers,"*



(L-R) Margaret Sullivan  
& CarrieAnne Cormier





*"We think about each customer and*



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how we can educate and empower them to use the technology they want for tomorrow,”

## Delivering Personal Guidance and Technology in our Branches

With the growth in online banks and digital payment services, individuals and businesses can now bank in a variety of untraditional ways. At Avidia Bank, however, we believe that there really is only one way to bank – the way that works for each individual customer. That is why in each of our branches, in every community we serve, personal and business banking customers will find a perfect balance of personal service and technology.

“The bankers in our branches think a little differently. We think about each customer and how we can educate and empower them to use the technology they want for tomorrow,” said David Morticelli, Vice President and Branch Administrator. Key to this strategy is Avidia’s branch

technology ambassadors who provide a consultative approach to help customers use technology in ways that benefit them. “A lot of people are resistant to technology because they don’t have the confidence to use it. We know that we can give people a level of comfort when we not only tell them about how technology can help them, but also show them. So we may show someone who is busy how to deposit a check with mobile deposit or someone who doesn’t carry cash how to use PeoplePay.”

This level of personal guidance is particularly valuable at a bank like Avidia that takes a leadership role in banking innovation. “We understand that people are on the move, so we strive to provide products and guidance that

allows them to progress at the pace that works for them,” said Morticelli.

While bigger and virtual banking institutions use technology as a substitute for personal service, Avidia has taken a different approach in its branches. “We’re a friendly bank. We know our customers and they know us, so we are able to identify and deliver services the way they want them delivered,” said Morticelli.

This combination of technology and personal guidance has set Avidia and our branch staff apart, and allowed us to be a truly unique and progressive bank that will move generations of customers forward.

(L-R) Back row: Heidi Borella, Lisette Arbelli, David Morticelli, Gargi Dutta Roy, Jen Cardoso, Jill de Sousa. Front row: Todd Wood, Jeremy Brandon, Kim Perkins, Ashley Snell, Stephanie Luz, Keith Dwinells. Denise Fernald (not shown)



*"Too often, companies implement these services only after they have experienced fraud. We prefer the proactive approach and strive to educate our customers..."*

## Solutions to Protect Businesses

**Protecting customers** from fraud isn't just important for our personal banking customers, but for businesses as well, as they continue to face increased risk for ACH, check, wire transfer, and other types of fraud. To mitigate that risk, *Avidia offers a variety of cash management products and services*, including Positive Pay that allows us to protect customers from ACH and check fraud. Available through online banking, both services allow our customers to ensure that *only authorized checks and automated clearinghouse (ACH) debits post to their accounts*. Additionally, we empower businesses to further mitigate check and ACH fraud by fulfilling their payables using a business credit card. As an added benefit, valuable rewards are earned on these credit card transactions!

In addition to our cash management solutions, we take steps to secure our customers' accounts, which include *requiring the use of an RSA® token when sending a wire or ACH transaction* and calling to verify when a wire or bill payment transaction is sent to a new payee.

"With the increase in fraud, we're constantly developing new methods and procedures to protect our customers," said Sharon Quinn, Senior Vice President, Cash Management. "Too often, companies implement these services only after they have experienced fraud. We prefer the proactive approach, and strive to educate our customers on procedures and solutions they can use to simplify that process, *helping them prevent fraud, not react to it.*"



(L-R) Christine Mauro, Pamela O'Brien,  
Sharon Quinn & Jill Mollica





A group of five business professionals (three men and two women) are standing in front of a large window. The man on the far left is wearing a dark suit and a light blue shirt. The woman next to him is wearing a red and black dress. The man in the center is wearing a dark suit and a light blue shirt. The woman next to him is wearing a dark suit and a white shirt. The man on the far right is wearing a light blue patterned shirt. They are all smiling and looking at the camera. A large window in the background shows a view of a city street with cars and buildings.

*"We try to build relationships with customers by having meaningful conversations with them."*

(L-R) Charles Budd, Marcy Lynn Sil  
Kim Nguyen Marino & Da

## Growing stronger relationships – one business at a time.



Michael Rullo  
Dan Provencher



**As a bank dedicated** to strengthening the communities it serves, Avidia Bank has strived to provide the commercial banking services and support local businesses need to grow and prosper. To accomplish that, the bank started in a very familiar place – with our customers. “We really focus on our existing lending customers to find out what they need and what tools we can provide to help them,” said Dan Provencher, Vice President and Commercial Relationship Officer.

Understanding what customers need involves asking the right questions, something that Chuck Budd, Senior Vice President and Commercial Relationship Officer and his team of Michael Rullo and Kim Nguyen Marino know a lot about. “We try to build relationships with customers by having meaningful conversations with them. A lot of banks will simply give customers what they request. **We take a different approach by serving as trusted advisors**, asking customers about their goals and day-to-day activities to learn how those

activities impact their strategy. In that process, customers often find that what they initially requested might not be the best solution to meet their needs.”

For Avidia, service goes far beyond the needs of the business; **the bank always takes a holistic approach to address the complete financial needs of business owners**. “Building a relationship with customers involves building rapport with them – getting to know them on a personal level. For example, do they have children who will be attending college or will they need a mortgage? When they do, I introduce them to our internal partners, so it’s clear to them that Avidia is one unified bank that cares about them,” added Budd.

Avidia’s dedication to serving businesses isn’t just limited to large, commercial business. It is why the bank recently formed a team of Business Banking Officers, Marcy Lynn Silva and Stephanie Luz, who are focused on meeting the deposit needs of smaller businesses. **“Our role is to learn more about each**

**business to formulate a solution that helps them take a leap.** For example, we may ask a business what they would do if they could get their accounts receivable up to date. When they say they would pay down a loan or hire employees, we introduce them to our Business Manager product that allows them to turn their receivables into cash,” said Marcy Lynn Silva, Business Banking Officer.

**Avidia’s consistent consultative approach has helped the bank earn the deposit business of large and small businesses alike.** But the business banking team believes the follow through with customers has been vital to their success. “There are thousands of banks. To win their business and their trust, you have to talk the talk. I always give out my cellphone number to my customers. This is their livelihood. If an issue or a need is important to them, it’s important to us,” said Provencher.



## On a mission to make life better for our customers – and for all.

**When Avidia Bank** was founded in 1869, we strived to deliver more than just products and services to our customers. We set our sights much higher; **we pledged to be the bank that supports all people in our community.** That is why, every year, in a variety of ways, we are proud to participate in our long-standing tradition of giving back.

In 1997, to bolster Avidia Bank's dedication to giving to non-profit organizations, we created the Avidia Charitable Foundation. In 2018, we built on that commitment, awarding \$170,000 in grants to

said Mikala Geurtsen, Avidia's Assistant Vice President and Clerk of the Corporation.

In addition to gifting from the Foundation, Avidia Bank also provided financial support to help fund a variety of local events, programs, and causes. In 2018, we were proud to give more than \$250,000 to 367 organizations located throughout all the communities we serve.

For the Bank, however, giving has always extended far beyond financial support; we are also dedicated to giving our time. In 2018, our employees were proud to volunteer to help staff local events and support non-profit organizations that are so instrumental in making our communities stronger. **In 2018, our employees logged 1,229 hours in volunteer time.**

fund a variety of community causes, including capital campaigns to help build YMCAs and athletic facilities for high schools and for Special Olympics. **"With our 2018 contributions, the Foundation has now awarded \$1.17 million to 132 non-profit organizations since its founding,"**

"We're proud of all our giving efforts in 2018. We will continue to respond to the ever-changing needs of all the communities we serve to ensure we do what we have always pledged to do – to help our customers and all local people prosper," said Geurtsen.

*"We're proud of all our giving efforts in 2018. We will always continue to respond to the ever-changing needs of all the communities we serve."*

Mikala Geurtsen





*"We are really focused on the customer experience, constantly monitoring activity to ensure our customers are not being defrauded."*

## Avidia's BSA Department: Working together to prevent fraud.

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**They have been portrayed** in countless news stories and even on popular Netflix shows; they are financial crimes, such as money laundering and electronic fraud scams. **Avidia's BSA Department was designed to combat those crimes – and protect our valued customers.**

Established as a result of the Bank Secrecy Act (BSA), federal legislation designed to get financial institutions to collaborate with the U.S. government to prevent fraud, **Avidia's BSA Department provides training and programs to help Avidia's staff identify potential triggers for fraud.** "At Avidia, we are really focused on the customer experience, constantly monitoring activity to ensure our customers are not being defrauded or involved in any fraud scams," said Liz Owen, Vice President and BSA

Officer.

Collaboration is key to Avidia's efforts as the **BSA Department works with law enforcement and other agencies, such as the Secret Service and FBI to stay informed about new types of financial crimes.** "We work closely with these agencies to provide education to our employees about prospective crimes involving elder abuse, human trafficking, and tax fraud."

This training is instrumental in helping Avidia's employees recognize potential fraud. "Our branch and operations staff are familiar with the triggers of fraud, which may include anything from large cash deposits or unexpected account volume."

The result of our collaboration and efforts is a safer banking experience for our customers.



Liz Owen



# Operating in the best interest of all our customers.

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**As a community bank**, established to help local people, Avidia Bank has always strived to provide a superior level of service to our customers. But our commitment to service extends far beyond servicing those who walk into our branches or pick up the phone to call us. As a unified bank, we're also dedicated to serving each other to deliver a better banking experience for our customers. And nowhere is that more evident than behind the scenes in our Loan and Deposit Operations Departments.

## Loan Operations

"In our Loan Servicing Department, we not only help borrowers with their commercial, consumer, and mortgage loans, we also help our customers inside Avidia Bank. **We receive about 7,000 internal requests a year from our branches and colleagues in our lending team,**" said Andrew Sabine, Vice President of Loan Operations.

"No matter where our customers come to us, externally or internally, we always provide exceptional service." The reason for this approach according to Sabine is simple. "When we provide the best in personal service to our internal customers, it frees them to do their jobs and to better serve their customers. We are after all, one bank."

Sabine attributes his department's success to its dedicated staff.

**"They are passionate about what**

**they do and how they treat customers – and the customers recognize that.** When you walk into our department, you'll see our walls decorated with thank you notes and holiday cards, which speaks volumes about the level of service we provide."

Another factor that makes the Loan Operations Department so unique is their accountability. **The entire team meets continuously with internal clients to gain feedback and share ideas to improve the customer experience.**

"The service from Loan Ops has never been better," says Don Frost, Senior Vice President of Residential Lending. "My sales team tells me this all the time. The great operational support frees up our loan officers to focus on generating new business. For us, that is everything."

(L-R)

Patty DeSantis, Brittney Ducharme, Molly Hipson, Nicole Young, Rick Casey, Jennifer Smith, Andrew Sabine, Amanda Ramsden, Kyla McDonald, Jesseka Monteiro, Janice Kelley.

*"When we provide the best in personal service to our customers, it frees them to do their jobs and to better serve their customers. We are after all, one bank."*







*...ce to our internal  
...d to better serve their*

Avidia Loan Operations Team







*"We determine ways we can streamline the process and systems and create account types to make it easy for our customers."*

## Deposit Operations

On the deposit side, the story is similar. *Avidia's Deposit Operations Department is dedicated to providing exceptional support of the banking activities that happen in the front office* – from deposits to health savings account transactions to electronic banking. Emily Braga, Senior Vice President of Deposit Operations, fully understands the importance of her department in Avidia's success.

'We really see our role as one to support initiatives that help Avidia achieve our strategic plans. For example, if a new account is introduced to help our customers, we determine ways we can streamline the process and systems and create account types to make it easy for our customers.'

By collaborating with each other and other departments and delivering exceptional service to all customers, *Avidia's Loan and Deposit Operations Departments are redefining service.*





Avidia Bank takes pride in the amount of hours our employees volunteer and to take a moment and recognize a few volunteers who go above and beyond.

### Justin Provencher

#### What organizations do you currently volunteer for?

Hudson Rotary Club - Treasurer  
Salvation Army Service Unit - Treasurer  
RF Wood Foundation - Treasurer  
Elected member of the Hudson Municipal Light Board

#### What would you consider to be your primary role?

As treasurer of multiple organizations I ensure that the finances of each non-profit is in balance and in accordance to their respective budgets. While I enjoy "keeping the books," my favorite part is organizing events such as the Spirit of Hudson or Hudson Touch a Truck which provide a fun experience for the community while at the same time raising funds for great causes locally and internationally. Each organization I am involved with provides opportunities to those in financial need.

#### Why are you passionate about volunteering?

I have always enjoyed staying busy and helping those in need. Volunteering and being involved in the community has been a part of my life from an early age where when I was 12 I volunteered at the Hudson Public Library. We all have one life to live on this planet and in the end I want to make sure that my time here has made a difference.

#### Is there anything else you would like people to know?

From March 23rd - 30, 2019 I travelled to Panajachel, Guatemala with Rotary International for my first international service project. I joined other Rotarians from Massachusetts and Guatemala to assist in the installation of 183 Onil stoves for two rural villages. The stoves will improve the overall health of the home, decrease the usage of firewood, and save the families time and money.

Justin Provencher  
Vice President, Credit Manager





## Volunteer Profiles

Employees volunteer their time. In each annual report, we like to highlight those who go above and beyond to help support our communities.

### Mary Laitila Rice

#### What organizations do you currently volunteer for?

St. Bernard's Parish Prayer Shawl Group

PFAC (Patient & Family Advisory Council) for US Memorial Health Alliance (Leominster) & Clinton Hospitals.

#### What would you consider to be your primary role?

For St. Bernard's I crochet or knit prayer shawls and lap blankets which are given to people who are undergoing a serious illness, major surgery, etc. We fill specific requests and also donate to the local Cancer Center, Hospitals, Hospices, and Veterans Homesteads.

For PFAC, I'm part of a group consisting of both local citizens and hospital officials & employees that discuss and implement changes to make both the patients' and their families' experience better and easier at the Leominster and Clinton campuses of the hospital. We recently designed a new welcome brochure that is available in several languages geared to the population served. Last year we toured a prototype of the proposed new Emergency Department and made several recommendations for changes and design improvements that were implemented with the recent completion of Phase 1 of project.

#### Why are you passionate about volunteering?

It's a good feeling knowing that I'm helping people.



Mary Laitila Rice  
Commercial Loan  
Administration Specialist





Andrew Abu



Employees are not the only ones with eyes and ears on the Assabet Valley Bancorp, and are respected members of community. How Avidia is perceived when out and about and relay important information.

### Andrew Abu

#### Why did you decide to accept the position of Corporator for Avidia Bank?

I wanted to be a member of a community of well-respected and diverse business people with a common interest in a local banking organization. I felt that I could learn a lot from the association, and that certainly has been the case.

#### Tell us about your business and how you make an impact in the community.

I joined the real estate industry in 1990, where I have developed a reputation for providing outstanding customer service almost exclusively working by personal referrals from past clients. In September 2004, I formed my own real estate company. Our firm maintains top sales status consistently in our county, but we measure our success by the trust and confidence that clients place in our group.

I am on the Board of Directors for the Realtor Association of Central Mass and serve on Professional Development. I also support multiple charitable endeavors in the community including MS, ALS and is on the Board of Directors for the Southborough Community Fund.



## or Profiles

street. Our corporators govern Avidia's holding company, communities in which we serve. We rely on them to let us know important feedback to us, positive or negative.

### Phil Jack

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#### Why did you decide to accept the position of Corporator for Avidia Bank?

I have worked with dozens of banks and lenders over the last 20 years and found that very few of them can match Avidia's commitment to their customers, industry partners and employees.

I refer people to Avidia not just because I know the bank has great products and rates, but also because I know Avidia has a culture based upon caring about and doing right by their customers.

#### Tell us about your business and how you make an impact in the community.

Wise & Jack is primarily a real estate and business transaction law firm serving Eastern and Central Massachusetts. We specialize in all aspects of real estate law including commercial and residential acquisition, financing, leasing, permitting and condominium creation.

On a personal level I have tried to make an impact on my community through coaching and by volunteering for both municipal and non-profit boards. I have been either an elected or appointed member of the Ashland Board of Selectmen, Ashland Zoning Board of Appeals, Ashland Affordable Housing Committee, Ashland Conservation Committee, Metrowest Regional Transit Authority, Metrowest Growth Management Committee, and Massachusetts Democratic State Committee. I am currently serving on the Board of the non-profit Hoops & Homework based in Framingham, MA.



Philip Jack



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Administration  
Andrea Blood

Vice President,  
Enterprise  
Project Management  
Joyce Burke

Vice President,  
Merchant Services  
Cheryl Cain

Vice President, Retail  
Operations & Strategy  
CarrieAnne Cormier

Vice President,  
Investment Services  
Robert Cote

Vice President,  
Commercial  
Relationship Officer  
Ronald Fraser

Vice President,  
Controller  
Diane Gallien

Vice President,  
Collections  
Richard T. Harrity

Vice President,  
Community  
Association Banking  
Howard Himmel

Vice President,  
Residential Loan  
Administration  
Laura Hughes

Vice President,  
Payments Risk Manager  
Benjamin Lannin

Vice President, Commercial  
Relationship Officer  
Maureen Marshall

Vice President,  
Investment Services  
Mary McDonald

Vice President,  
Financial Analyst  
Karen Moe

Vice President,  
Cash Management  
Jill Mollica

Vice President,  
Branch Administrator  
David Morticelli

Vice President,  
Commercial  
Relationship Officer  
Kim Nguyen Marino

Vice President, Commercial  
Relationship Officer  
Ron Notaro

Vice President, Training  
Cori Olson

Vice President,  
BSA Officer  
Elizabeth Owen

Vice President,  
Workout Manager  
Charles L. Park, Jr.

Vice President  
Senior Mortgage  
Loan Officer  
Edward Perachi

Vice President,  
Commercial  
Relationship Officer  
Daniel Provencher

Vice President  
Credit Manager  
Justin Provencher

Vice President,  
Commercial  
Relationship Officer  
Avnish Puri

Vice President,  
Commercial  
Relationship Officer  
Michael Rullo

Vice President,  
Loan Operations  
Andrew Sabine

Vice President  
Senior Mortgage  
Loan Officer  
Shrenik Shah

Vice President,  
Investment Services  
Edward J. Stearns III

Vice President  
Senior Mortgage  
Loan Officer  
K. Joy Sullivan

Vice President  
Senior Mortgage  
Loan Officer  
Kelly Tierney

Vice President, Business  
Development Officer  
Clifford Thompson

Vice President, Health Care  
Solutions Relationship Officer  
Lynda Westbrook

Vice President,  
Commercial  
Relationship Officer  
Robert Williamson

Assistant Vice President  
Branch Manager,  
Hudson South Office  
Lisette Arbelli

Assistant Vice President,  
Human Resources  
Danielle Avery

Assistant Vice President,  
Creative and  
Branding Manager  
Jessica Bonetti

Assistant Vice President,  
Market Manager,  
Framingham Office  
Jeremy Brandon

Assistant Vice President,  
Market Manager,  
Northborough Office  
Jennifer Cardoso

Assistant Vice President,  
Payment Solutions  
Erin Curry

Assistant Vice President,  
Social Media and Brand  
Communications Manager  
Katelin Cwieka

Assistant Vice President,  
Facilities  
Daniel DeAngelis

Assistant Vice President,  
Loan Operations  
Patricia DeSantis

Assistant Vice President,  
Branch Manager,  
Clinton Office  
Jill de Sousa

Assistant Vice President,  
Branch Manager,  
Main Office  
Keith Dwinells

Assistant Vice President,  
Branch Manager,  
Leominster Office  
Denise Fernald

Assistant Vice President,  
Assistant BSA Officer  
Kevin Ferreira

Assistant Vice President,  
Clerk of the Corporation  
Mikala D. Geurtsen

Assistant Vice President,  
Merchant Services  
Account Manager  
Zachary Grant

Assistant Vice President,  
Electronic Services  
Lisa Joyce

Assistant Vice President,  
Credit Card Issuing  
Missy Lindberg

Assistant Vice President,  
Consumer Lending  
Richard Luchini

Assistant Vice President,  
Business Banking Officer  
Stephanie Luz

Assistant Vice President,  
HSA Client Relationship  
Officer  
Mary Newton

Assistant Vice President,  
Cash Management  
Pamela O'Brien

Assistant Vice President,  
Loan Operations  
Amanda Ramsden

Assistant Vice President,  
Commercial  
Relationship Officer  
Tina Ramsey

Assistant Vice President,  
Merchant Services  
Heather Schneider

Assistant Vice President  
Business Banking Officer  
Marcy Lynn Silva

Assistant Vice President,  
Residential Loan Officer  
Natalie Sousa

Assistant Vice President,  
Deposit Operations  
Patti Wood

Officer, IT Manager  
Robert Benotti

Branch Relationship  
Officer,  
Marlborough Office  
Heidi Borella

Commercial Loan  
Portfolio Officer  
Ana Czapkowski

Assistant Controller  
Denise Czermak

Branch Manager,  
Shrewsbury Office  
Gargi Dutta Roy

Officer, Senior Credit  
Analyst  
Robert Eggleston

Residential Loan Officer  
Thomas Giusti

Officer, Internal Audit  
Tammy Gulcius

Officer, Senior  
Credit Analyst  
John Iacobucci

Workout Officer  
Lisa Luz

Officer, Digital  
Marketing Manager  
Sonia Mahnot

Officer, Senior  
Risk Analyst  
Melissa McDonald

Residential Loan Officer  
Andrew Nawrocki

Workout Officer  
Karen Perillo

Branch Manager,  
Westborough Office  
Kimberly Perkins

Officer, CRM Analyst  
Amy Peterson

E-manager  
Todd Wood

# consolidated statements of financial condition (Unaudited)

## ASSETS

	December 31, 2018	December 31, 2017	December 31, 2016
Cash and Cash Equivalents			
Cash and due from banks	\$32,708,228	\$39,828,384	\$24,442,300
Federal funds sold	265,028	256,726	2,409,237
Total cash and cash equivalents	<u>32,973,256</u>	<u>40,085,110</u>	<u>26,851,537</u>
Investment Securities			
Securities held to maturity	1,532,843	1,551,059	1,568,781
Securities available for sale (at fair value)	125,125,635	105,098,775	83,201,917
Total investment securities	<u>126,658,478</u>	<u>106,649,834</u>	<u>84,770,698</u>
Mortgage-backed and related securities	132,123,059	101,938,785	108,023,978
Loans receivable, net	1,225,270,629	1,187,577,330	1,096,010,202
Accrued interest receivable	4,804,664	4,439,824	3,530,714
Premises and equipment, net	19,389,084	19,527,206	15,809,279
Foreclosed real estate	1,958,199	780,000	-
Federal Home Loan Bank stock, at cost	5,329,500	9,706,700	12,434,300
Refundable federal and state income taxes	2,087,444	826,967	1,893,873
Deferred income taxes	6,157,366	4,703,354	3,425,000
Other assets	38,266,041	39,994,508	37,510,645
	<u>\$1,595,017,720</u>	<u>\$1,516,229,618</u>	<u>\$1,390,260,226</u>

## LIABILITIES AND RETAINED EARNINGS

Liabilities			
Deposits	\$1,338,526,206	\$1,103,940,261	\$963,615,355
Advances from Federal Home Loan Bank	72,983,256	183,573,191	239,383,208
Repurchase agreements	-	54,409,811	45,194,642
Advances from borrowers for taxes and insurance	2,515,975	2,038,805	1,917,335
Accrued interest payable	153,144	104,703	97,246
Accrued expenses and other liabilities	15,425,798	15,894,398	18,639,470
Subordinated debt	24,663,831	24,593,466	-
	<u>1,454,268,210</u>	<u>1,384,554,635</u>	<u>1,268,847,256</u>
Retained Earnings	141,132,165	129,123,005	120,426,587
Unrealized gain (loss) on securities available for sale, net of applicable deferred income taxes of \$302,579 in 2018, \$1,110,307 in 2017 and \$456,860 in 2016.	(382,655)	2,551,978	986,383
	<u>140,749,510</u>	<u>131,674,983</u>	<u>121,412,970</u>
	<u>\$1,595,017,720</u>	<u>\$1,516,229,618</u>	<u>\$1,390,260,226</u>



# consolidated statements of income (Unaudited)

	December 31, 2018	December 31, 2017	December 31, 2016
INTEREST INCOME			
Mortgage loans	\$34,737,420	\$32,485,017	\$31,456,401
Commercial loans	23,636,124	21,508,959	16,064,891
Other loans	400,506	527,211	373,991
Investment securities	2,836,181	2,017,245	1,741,764
Mortgage-backed and related securities	2,433,916	2,273,518	1,975,341
Other interest earning assets	430,752	172,102	43,483
	<u>64,474,899</u>	<u>58,984,052</u>	<u>51,655,871</u>
INTEREST EXPENSE			
Deposits	6,398,285	3,563,549	3,192,618
Borrowed funds	3,968,390	4,519,759	2,966,101
	<u>10,366,675</u>	<u>8,083,308</u>	<u>6,158,719</u>
NET INTEREST INCOME	54,108,224	50,900,744	45,497,152
PROVISION FOR LOAN LOSSES	3,700,000	2,675,000	2,625,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>50,408,224</u>	<u>48,225,744</u>	<u>42,872,152</u>
NON-INTEREST INCOME			
Fees and service charges	8,550,509	6,734,496	5,212,324
Gain on sale of investment securities, net	1,444,280	3,785,725	985,286
Investment management income	1,039,724	848,829	684,556
	<u>11,034,513</u>	<u>11,369,050</u>	<u>6,882,166</u>
NON-INTEREST EXPENSE			
Compensation and employee benefits	24,848,312	23,054,816	20,668,643
Occupancy and equipment	3,187,965	2,737,024	2,548,948
Marketing	1,248,369	1,276,656	1,041,796
Deposit insurance	1,125,246	1,097,995	940,485
Data processing	6,808,986	5,347,404	3,698,284
Depreciation	1,972,011	1,649,115	1,324,398
Other operating expenses	6,241,888	7,580,507	5,970,786
	<u>45,432,777</u>	<u>42,743,517</u>	<u>36,193,340</u>
INCOME BEFORE FEDERAL AND STATE INCOME TAXES	16,009,960	16,851,277	13,560,978
FEDERAL AND STATE INCOME TAXES	4,413,984	8,084,000*	4,781,504
NET INCOME	<u>\$ 11,595,976</u>	<u>\$ 8,767,277</u>	<u>\$ 8,779,474</u>

\* Due to the Tax Reform Law enacted in December 2017, an adjustment to Deferred Tax Assets caused a one-time expense of \$1.6 million. Excluding this adjustment, the Bank made Net Income of \$10.3 million.



*Avidia Bank is a subsidiary of The Assabet Valley Bancorp*

## Hudson

### Main Office

42 Main Street  
Hudson, MA 01749

Mon-Fri: 8am-4pm  
24-hour walk-up ATM

**Avidia Financial Center**  
17 Pope Street  
Hudson, MA 01749

Mon-Wed: 8:30am-4pm  
Th-Fri: 8:30am-6pm  
Saturday: 8:30am-12pm  
24-hour drive-up ATM

221 Washington Street  
Hudson, MA 01749  
Mon-Wed: 8:30am-4pm  
Th-Fri: 8:30am-7pm  
Saturday: 8:30am-12pm  
24-hour drive-up ATM

## Framingham

270 Cochituate Road  
Framingham, MA 01701

Mon-Wed: 8:30am-4pm  
Th-Fri: 8:30am-6pm  
Saturday: 8:30am-12pm  
24-hour drive-up ATM

## Westborough

100 E. Main Street  
Westborough, MA 01581

Mon-Wed: 8:30am-4pm  
Th-Fri: 8:30am-6pm  
Saturday: 8:30am-12pm  
24-hour drive-up ATM

## Clinton

1073 Main Street  
Clinton, MA 01510

Mon-Wed: 8:30am-4pm  
Th-Fri: 8:30am-6pm  
Saturday: 8:30am-12pm  
24-hour drive-up ATM

## Leominster

470 Lancaster Street  
Leominster, MA 01453

Mon-Wed: 8:30am-4pm  
Th-Fri: 8:30am-6pm  
Saturday: 8:30am-12pm  
24-hour drive-up ATM

## Marlborough

256 Maple Street  
Marlborough, MA 01752

Mon-Wed: 8:30am-4pm  
Th-Fri: 8:30am-6pm  
Saturday: 8:30am-12pm  
24-hour drive-up ATM

## Northborough

53 W. Main Street  
Northborough, MA 01532

Mon-Wed: 8:30am-4pm  
Th-Fri: 8:30am-6pm  
Saturday: 8:30am-12pm  
24-hour drive-up ATM

## Shrewsbury

23 Maple Avenue  
Shrewsbury, MA 01545

Mon-Wed: 8:30am-4pm  
Th-Fri: 8:30am-6pm  
Saturday: 8:30am-12pm  
24-hour drive-up ATM

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