

**Fueled by
Community.**



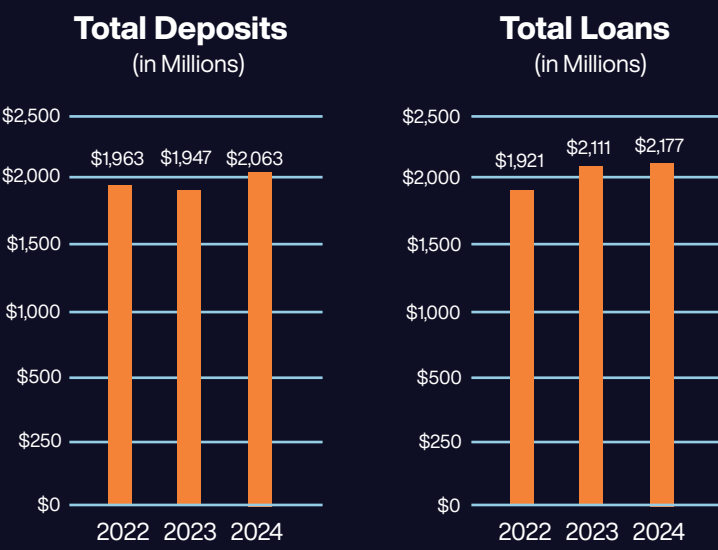
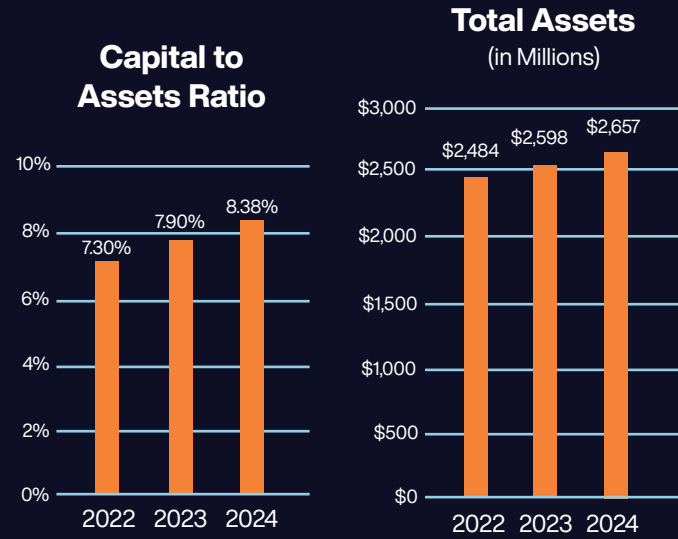
**Strengthened
by Innovation.**



Avidia Bank
Honest to goodness.

2024 Annual Report

Financial Highlights



A Letter from the President



To our valued customers:

This past year was another solid and busy one for Avidia as we continued our 156-year mission to help our customers and communities thrive. Our efforts focused on three key strategic areas: enhancing our technology to improve the customer experience and streamline processes; leveraging our data to make more informed decisions; and continuing to support and invest in our communities and our colleagues who are so central to our mission.

Building on a strong financial foundation

We grew assets to a record \$2.7 billion while continuing to position the balance sheet for sustainable long-term profitability. A cornerstone of our philosophy is prudent financial management and although the interest rate environment presented some challenges, we navigated them well. As the Fed began reducing its benchmark interest rate, our net-interest margin improved and Avidia ended the year more financially sound with improved capital levels and a stronger liquidity position.

As part of our financial strategy, we also focused on improving efficiency by simplifying operations and eliminating waste. In addition, as part of our commitment to making more informed decisions, we began building a robust data lake with sophisticated analytical tools.

Empowering our customers with innovative financial solutions

We also focused on ensuring our products and services match the needs of our customers. Among those initiatives was the introduction of a new digital banking platform, which features a new design and

capabilities that make it easier and more convenient for our customers to manage their money in one place. The new platform features a personal financial management tool that offers real-time automated insights to help customers understand their spending, work toward their goals, monitor their cash flow, and detect potential fraud.

While having modern digital tools for our customers is a must, we recognize that most financial transactions are still performed via credit and debit cards. That's why we forged a strategic partnership that will allow us to offer a broader and more competitive range of credit card products for consumers and businesses. Additionally, as part of our commitment to improving the customer experience, we introduced instant-issue debit cards in our branches.

Although we provide innovative digital solutions to allow our customers to bank and manage money from anywhere, we remain committed to the personalized attention that can only be provided by our caring team. That is why we continued with the transformation and modernization of our branches, including our Marlborough branch. The renovation has made staff more accessible to our customers and has provided them with a pleasant and welcoming place to do their banking.



Top left: Barry Jensen, Executive Vice President and Chief Administrative Officer & Jonathan Nelson, Chief Financial Officer & Treasurer, bottom right.

Doing our part to strengthen our local communities

Investing in the health of the communities we serve benefits all of us and is a core component of being a "community" bank. That's why we were proud to increase our giving during 2024. Through bank sponsorships and donations and the Avidia Charitable Foundation, we provided \$446,985 to help support community events and non-profit organizations that are essential to our communities.

Part of our contributions to our communities includes being a good employer that supports the colleagues who are so critical to our mission in serving our customers. We're honored to once again be recognized by The Boston Globe as a Top Place to Work and we have continued our commitment to career development and advancement for all our employees. This past year we improved our career pathing and succession planning processes – an effort that will provide colleagues with more clarity for career planning.

From a leadership perspective, we welcomed two new additions to our senior executive team including Jonathan Nelson, Chief Financial Officer & Treasurer; and Barry Jensen, Executive Vice President & Chief Administrative Officer. They, along with our other executives, will be instrumental in ensuring we have the financial strength, know-how, and vision to achieve our objectives in the coming years.

I'm grateful to all members of our organization for helping us reach our strategic goals and for supporting our customers in the pursuit of their financial ones.

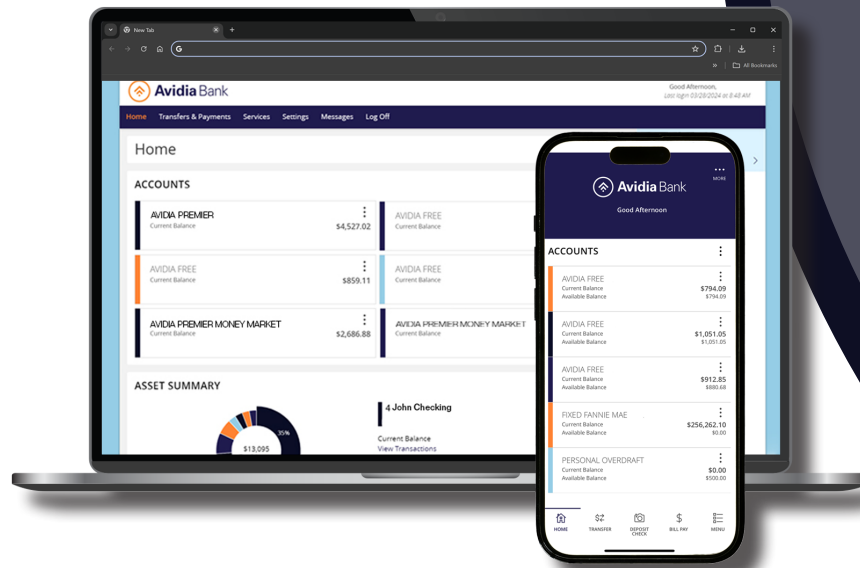
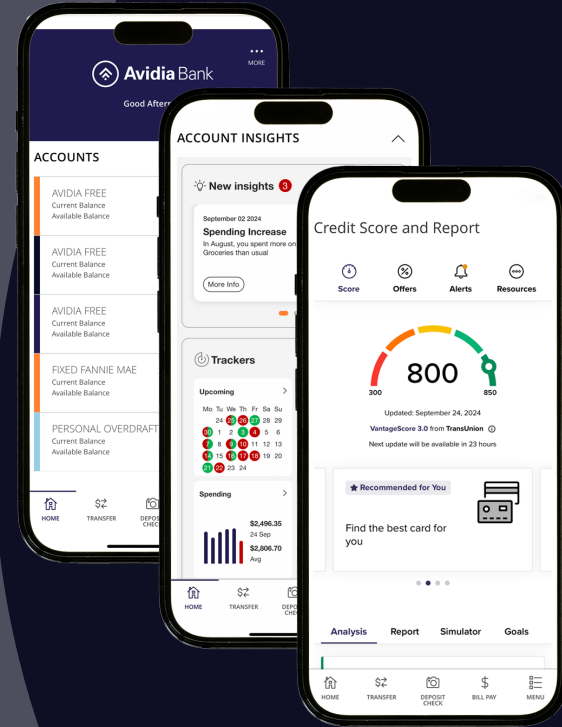
Thank you for your support and for choosing Avidia. It has been my honor to continue to serve you and build on the success we've experienced together.

Sincerely,

Robert Cozzone
President & CEO, Avidia Bank

Finding innovative ways to help our customers

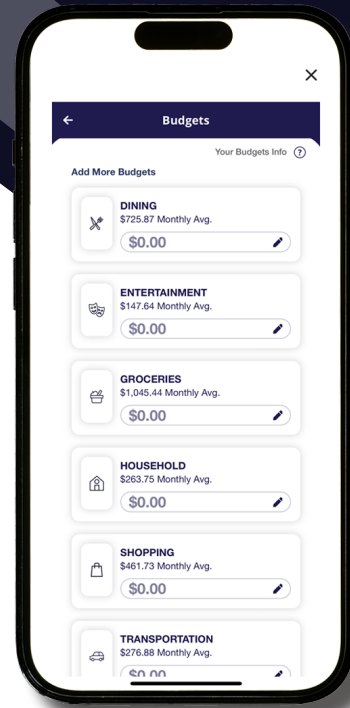
Life is always moving and changing for our customers. At Avidia, we've always strived to ensure we have the information and solutions to keep up with every individual customer. Whether we enhanced our systems and processes to better anticipate and understand financial needs, invested in digital tools to empower our customers to take charge of their money, or expanded our product offerings, we are constantly innovating and evolving to ensure we continue to be a financial partner that supports our customers through every stage of life.



Empowering customers to take charge of their money

From buying a home to building an emergency fund to saving for retirement, Avidia understands that every individual has unique financial goals. That's why we introduced an enhanced digital banking solution with a new feature – Your Money Insights. This no-cost personal financial management tool offers real-time automated insights and account tracking features to help customers:

- Gain a greater understanding of their spending
- Create and track a monthly budget
- Uncover savings opportunities and be alerted about budget shortfalls
- Monitor monthly cash flow
- View upcoming payments, deductions, and deposits
- Identify potentially fraudulent transactions



Offering more comfortable and personal banking in Marlborough

To welcome customers who visit our branches and provide them with a comfortable banking experience, we moved forward with our branch renovation plans, transforming our Marlborough branch at 256 Maple Street. The new open-concept design offers more seating, a new coin & currency machine, as well as an investment office where customers can get personalized financial guidance. In the coming year, we'll expand our renovation initiatives to our Clinton and Westborough locations.



Giving our customers the power to make purchases on their terms

We recognize that credit cards can be a powerful financial tool that helps our customers manage spending, build credit, and maximize rewards. We also understand that our customers may have unique needs and goals. That's why we collaborated with TCM Bank to offer a range of card options – from low-interest-rate Platinum cards to cash back cards. All our options come with fraud monitoring, 24-hour support, and online account management.



A business banking relationship built on shared values

You can judge the success of a company by the body of work it does. Since its founding in 2012, Hudson Auto Repair & Gas, an Avidia small business customer, has had a history of service excellence. Its owner Junior Nasryiah attributes his success to three key values: quality work, customer service, and honesty. It's those same values that drew him to choose Avidia as his business bank 13 years ago.

"I tell everyone that walks through the door to think of us as friends that happen to own a repair shop not just automotive technicians," he shares. "It's the same way at Avidia. It's not just a bank; it's a family that will do whatever it takes to help you – whether the staff is staying late to handle paperwork or reminding me that I'm missed when I haven't visited a branch in a while. It's the little things that show me how committed they are to my success."



Hudson Auto & Gas is located in downtown Hudson, MA

A trusted home for financial goals



Avidia Bank Residential Lenders (L-R) Shrenik Shah, Kelly Tierney and Tad Perachi.

When India Patzleiner had the financing for her first home fall through at the eleventh hour, she turned to Avidia for her mortgage. "The company I worked for at the time had partnered with Avidia, so I figured I would give them a call." She met with her loan officer, Tad Perachi, and explained that she needed a mortgage quickly. She wasn't disappointed. "Tad did everything he could to make it happen and I was able to close on the loan in just 20 days. I couldn't believe it!"

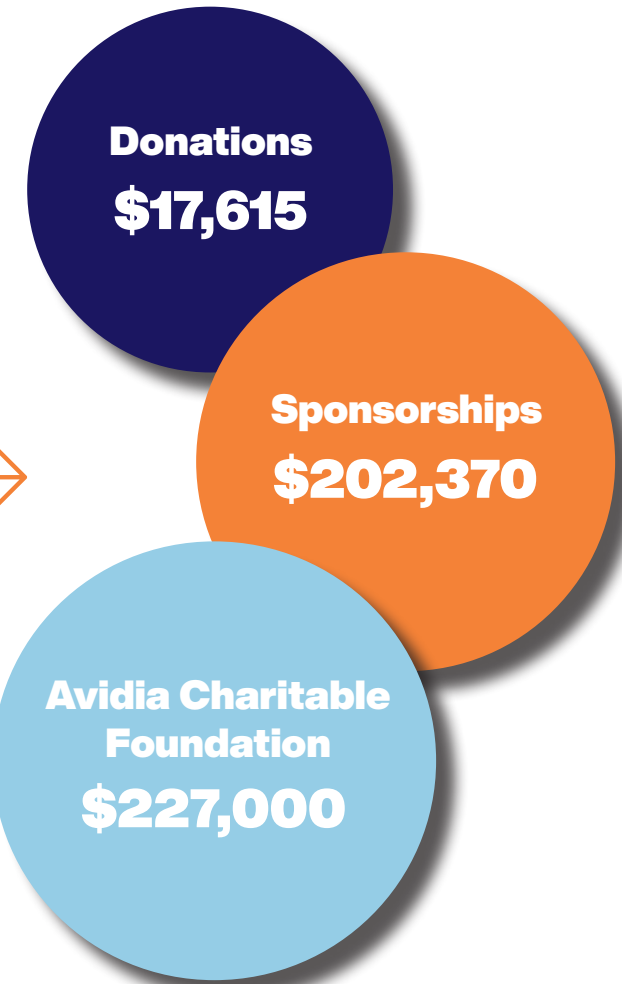
It would be the start of a long and trusted relationship that involved another home purchase as well as vehicle loans. "The customer service Avidia provides is above anything. I trust them and feel like they always have my back. I refer them to everybody and can't say enough about the work they do."

Building on a legacy of community support

As a community bank, we measure our success by the value we bring to our customers and all members of the communities we proudly serve. In 2024, we were pleased to continue our commitment to giving through bank and charitable donations, sponsorships, participation in local events, and employee volunteers.



Giving at a glance



Lending our expertise and skills to local non-profits

As part of our commitment to the community, colleagues at all levels of our organization are encouraged to volunteer their time to support the causes, events, and organizations that are important to them. For Dominique Jean-Pierre, Assistant Vice President & Market Manager at Avidia, that choice was easy: The Boys & Girls Club of MetroWest.

"I've been a staff member at the Club and a Club kid," he shares. Dominique has also served on the Board of Directors for the past five years, where he has been instrumental in ensuring that all members of the community have access to the programs the Club offers. His commitment to the Club and local youth earned him the Michael C. Sullivan Award.

Dominique Jean-Pierre (left) is pictured with Avidia Bank President & CEO, Rob Cozzone at the Boys & Girls Clubs of MetroWest Annual Gala.



James N. Ball
Paul Blazar
Vanessa Candela
Robert Cozzone
Neil Flanigan
Carol V. Gallagher
Michael R. Girard
Joseph Grimaldo
Jeffrey B. Leland
Michael Murphy
Mark R. O'Connell
Ken Saul

Trustees Emeritus

Joseph F. MacDonough
Oliver F. Nunes Jr.
James E. Tashjian

Andrew J. Abu
Todd Alexander
Ronald Aspero
Charles J. Bacon
David Bagdon
Daniel S. Ball
James Ball
John A. Bartolini Jr.
Tony Bartolini
Paul Blazar
Richard A. Braga Jr.
Michael D. Burks
John Cain
Vanessa Candela
Richard Casaceli
Art Catapang
Preben Christensen
Robert Cozzone
Gerald L. Curley
Jack Cutone
Joseph J. DeCarolis Jr.
Lee Dinner
John M. Dombrowski
Benjamin P. Donnarumma
Joseph J. Durant

Karim El-Gamal
Daniel Fanselow
Neil Flanigan
Carol V. Gallagher
Victor Galvani
Mikala Geurtsen
Linda Ghiloni
Michael R. Girard
Joseph Grimaldo
Michael Hanley
Richard Harrity
James Hastings
Michael Higgins
Maria Hopkins
Scott Hughes
Robert Ingle
Philip C. Jack
Ian Johnson
Craig S. Johnston
Stephen LeDuc
Jeffrey B. Leland
Mark Leonard
Tiffany Lillie
Maribeth Lynch
Joseph F. MacDonough

David McLaren
Susanne Morreale-Leeber
Michael Murphy
Sumathi Narayanan
Daniel Notaro
Oliver F. Nunes Jr.
Mark R. O'Connell
Joel C. O'Toole
Philip B. O'Toole
Brian Parker
Carol Parker
John R. Parsons Jr.
David A. Pickering
Ernest L. Rooney
William Ross
Andrew Rubenstein
Michael P. Saliga
Joseph Santos
Ken Saul
Thomas Savino
James E. Tashjian
Patricia A. Thomas-Fuller
Paul Travis
Naray Viswanathan

Chairman of the Board
Michael Murphy

President & CEO
Robert D. Cozzone

Executive Assistant
Linda Marrone

Executive Vice Presidents

Chief Operations Officer
Robert W. Conery

Human Resources
Thomas Doane

Consumer Banking
Donald Frost III

Chief Administrative Officer
Barry H. Jensen

Chief Risk Officer
Nicolas Karmelek

Chief Operating Officer
Bartholomew H. Murphy, Jr.

Chief Financial Officer
Jonathan M. Nelson

Senior Vice Presidents

Community Association Banking
Lisa Allegro

Commercial Relationship Officer
Thomas Allain

Chief Internal Audit Officer
Jocelyn Arsenault

BSA Officer
Trevor Bethel

Deposit Operations
Emily Braga

Security & Compliance
Neil Buckley

Commercial Relationship Officer
and Team Lead
Charles Budd

Payments Product Manager
Cheryl Cain

Card & Payment Solutions
Rita Janeiro

Commercial Relationship Officer
and Team Lead
Maureen Marshall

Senior Commercial Lending Officer
Stephen McAndrew

Investment Services
Mary McDonald

Commercial Relationship Officer
and Team Lead
Andrew Miller

Retail Banking
David Morticelli

Chief Information Officer
John O'Connor

Commercial Relationship Officer
and Team Lead
Daniel Provencher

Commercial Relationship Officer
Avnish Puri

Cash Management
Sharon Quinn

Loan Operations
Andrew Sabine

Residential Lending Manager
Natalie Sousa

Finance Director & Controller
Margaret B. M. Sullivan

Chief Marketing Officer
Janel Thomas

Payment Solutions Business
Development Officer
Clifford Thompson

Chief Credit Officer
Lee Thompson

Commercial Relationship Officer
Robert Williamson

Vice Presidents

Market Manager, Financial Center
Lisette Arbelli

Human Resources Manager
Danielle Avery

Commercial Loan Administrator
Andrea Blood

Marketing Manager
Jessica L. Bonetti

Learning & Development Manager
Keri Brown

HSA Operations Manager
Mary Brown

Market Manager,
Northborough Office
Jennifer Cardoso

Operational Risk Manager
Michelle Chase

Assistant Controller
Denise Czermak

Facilities
Daniel DeAngelis

Business Banking Officer
Maud Dentico

Loan Operations
Patricia DeSantis

Commercial Relationship Officer
Jill deSousa

Commercial Relationship Officer
Ronald Fraser

Investment Services
Danielle Gaudette

Enterprise Project Management
Mikala Geurtsen

Card Issuing Manager
Scott Glazer

Merchant Acquiring Manager
Zachary Grant

CRA Officer
Laura Hughes

Government Banking
Michael Kopp

Workout and Collections Officer
Lisa Luz

Business Banking Officer
Stephanie Luz

Cash Management
Jill Mollica

Development Manager
Elise Nasiatka

Enterprise Application Systems
Cori Olson

Payments Risk and
Underwriting Manager
Joseph Palombo

Senior Residential Loan Officer
Edward Perachi

Commercial Relationship Officer
James Picciotto

Credit Manager
Justin Provencher

Information Security Officer
Dan Rowe

Senior Residential Loan Officer
Shrenik Shah

Business Banking Officer
Marcy Lynn Silva

IT Operations
Jarrod Slavinskis

Senior Residential Loan Officer
Kelly Tierney

Deposit Operations
Patti Wood

Assistant Vice Presidents

Market Manager,
Marlborough Office
Heidi Borella

Branch Manager,
Hudson South Office
Karen Briggs

Digital Marketing Manager
Moriah Canner

Salesforce Platform Manager
James Coelho

Payments Customer
Support Manager
Edwin Cortez

Assistant BSA Officer
Christina Dailey

Consumer Lending
Mickey Desai

Loan Operations
Brittney Ducharme

Commercial Relationship Officer
Keith Dwinells

Internal Audit
Jeannine Fallon

Branch Manager,
Leominster Office
Denise Fernald

Cash Management
Fernando Ferreira

Digital Banking Services Manager
Daniel Gratzer-Cheney

Internal Audit
Tammy Gulcius

Market Manager, Framingham Office
Dominique Jean-Pierre

Credit Card Portfolio Manager
Missy Lindberg

Manager, Payments Risk
James Middleton

Investment Services
Andrew Nawrocki

Customer Care Center Manager
Margaret Nelson

Manager, Payments Underwriting
Kristina Niedziolka

Branch Manager,
Westborough Office
Kimberly Perkins

Data & Business
Intelligence Analyst
Amy Peterson

IT Operations
Robert Pierce

Commercial Relationship Officer
Tina Ramsey

Commercial Relationship Officer
Robert Smith

Bank Officers

Payments ISO Support Officer
Angelina Beers

Card Issuing
Implementation Officer
Justine Buck

Project Manager
Daniela Cunha Raphael

Senior Financial Analyst
Julianne DeVillers

Workout Officer
Peter Donovan

Branch Manager,
Clinton Office
Carmen Hastings

Branch Manager,
Shrewsbury Office
Sumbul Kahn

Deposit Application Analyst
Corie Keddy

Senior Credit Analyst
Ali Mattingly

Lending Application Analyst
Kingsley Osias

Commercial Relationship Officer
Richard Schrader

BSA Team Leader
Ryan Trouve

Accounting Manager
Phi Truong

Providing a career home for our valued employees

A key part of our commitment to our communities is being a good employer. That is why in 2024, we continued to work toward understanding the needs of our more than 250 employees and helping them develop the skills and opportunities they need to reach their goals.

One of the ways we accomplished that is through Voice of the Employee Survey to gauge colleague satisfaction at every stage of the employee lifecycle – starting with onboarding. We also implemented a CEO Roundtable, where Rob Cozzone openly shares the strategic initiatives of the bank and solicits feedback from employees about their needs and the ways Avidia can help solve them.

To help retain employees, we continued our succession planning and career development programs where managers have career development discussions with colleagues to determine where they are, where they want to go in their careers, and how Avidia can help them get there.



When it comes to supporting our employees, we're on a roll. We're proud to be named as a Top Place to Work by The Boston Globe, for the 2nd consecutive year.

The distinction, which is awarded to companies for their employee culture and benefit offerings, is a testament to prospective employees that Avidia is vested in the success of its employees.

Consolidated statements of financial condition

	December 31, 2024	December 31, 2023 in thousands	December 31, 2022
ASSETS			
Cash and Cash Equivalents			
Cash and due from banks	\$62,444	\$70,343	\$77,853
Money market funds	-	-	-
Total cash and cash equivalents	<u>62,444</u>	<u>70,343</u>	<u>77,853</u>
Investment Securities			
Securities, trading	7,774	7,023	6,213
Securities held to maturity	16,747	15,746	16,754
Securities available for sale (at fair value)	258,159	254,243	331,870
Total investment securities	<u>282,680</u>	<u>277,012</u>	<u>354,836</u>
Loans receivable, net	2,177,309	2,111,165	1,921,284
Accrued interest receivable	8,897	8,621	7,310
Premises and equipment, net	28,498	28,450	26,818
Foreclosed real estate	-	239	-
Federal Home Loan Bank stock, at cost	14,729	16,823	12,779
Refundable federal and state income taxes	-	170	119
Deferred income taxes	12,795	14,389	17,542
Other assets	69,187	71,078	65,789
Total Assets	<u>\$2,656,539</u>	<u>\$2,598,291</u>	<u>\$2,484,331</u>
LIABILITIES AND RETAINED EARNINGS			
Liabilities			
Deposits	\$2,063,212	\$1,947,456	\$1,963,299
Advances from Federal Home Loan Bank	325,000	401,000	296,500
Advances from borrowers for taxes and insurance	3,620	3,403	3,424
Accrued interest payable	710	723	135
Accrued expenses and other liabilities	42,491	37,370	32,395
Subordinated debt	27,679	27,542	27,408
Total liabilities	<u>2,462,712</u>	<u>2,417,494</u>	<u>2,323,161</u>
Retained Earnings	215,270	203,786	192,956
Unrealized loss on securities available for sale, net of applicable deferred income taxes of (\$6,583) in 2024, (\$8,737) in 2023, and (\$11,485) in 2022.	(21,443)	(22,989)	(31,786)
Total retained earnings	<u>193,827</u>	<u>180,797</u>	<u>161,170</u>
Total liabilities and retained earnings	<u>\$2,656,539</u>	<u>\$2,598,291</u>	<u>\$2,484,331</u>

Consolidated statements of income

	December 31, 2024	December 31, 2023 in thousands	December 31, 2022
INTEREST INCOME			
Mortgage loans	\$58,050	\$51,728	\$38,297
Commercial loans	53,023	48,316	36,436
Other loans	463	345	285
Investment securities	5,224	6,083	4,670
Mortgage-backed and related securities	5,025	2,397	2,810
Other interest earning assets	1,948	2,248	1,803
Total interest income	<u>123,733</u>	<u>111,116</u>	<u>84,301</u>
INTEREST EXPENSE			
Deposits	32,870	20,320	3,966
Borrowed funds	17,603	19,471	3,988
Total interest expense	<u>50,473</u>	<u>39,791</u>	<u>7,954</u>
NET INTEREST INCOME	73,260	71,325	76,347
PROVISION FOR CREDIT LOSSES	1,779	1,912	1,225
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	<u>71,481</u>	<u>69,413</u>	<u>75,122</u>
NON-INTEREST INCOME			
Fees and service charges	15,626	20,662	18,209
Change in market value for investment securities, net	-	(1,219)	(5,839)
Investment management income	1,393	1,234	1,359
Total non-interest income	<u>17,019</u>	<u>20,677</u>	<u>13,729</u>
NON-INTEREST EXPENSE			
Compensation and employee benefits	34,721	33,991	34,415
Occupancy and equipment	8,319	7,948	7,510
Marketing	1,432	2,468	2,686
Deposit insurance	2,481	2,615	1,604
Data processing	10,123	8,910	13,242
Other operating expenses	16,021	17,647	17,083
Total non-interest expense	<u>73,097</u>	<u>73,578</u>	<u>76,540</u>
INCOME BEFORE FEDERAL AND STATE INCOME TAXES	15,403	16,512	12,311
FEDERAL AND STATE INCOME TAXES	3,919	4,072	3,354
NET INCOME	<u>\$ 11,484</u>	<u>\$ 12,440</u>	<u>\$ 8,957</u>



Office Hours and Locations

Hudson

Corporate Headquarters
42 Main Street, Hudson, MA 01749

Monday-Friday: 8am-4pm

Avidia Financial Center
17 Pope Street, Hudson, MA 01749

Monday-Wednesday & Friday: 8:30am-4pm
Thursday: 8:30am-6pm
Saturday: 8:30am-12pm
24-hour drive-up ATM

Hudson South Branch
221 Washington Street, Hudson, MA 01749

Monday-Wednesday & Friday: 8:30am-4pm
Thursday: 8:30am-6pm
Saturday: 8:30am-12pm
24-hour drive-up ATM

Framingham

270 Cochituate Road, Framingham, MA 01701

Monday-Wednesday & Friday: 8:30am-4pm
Thursday: 8:30am-6pm
Saturday: 8:30am-12pm
24-hour drive-up ATM

Westborough

100 E. Main Street, Westborough, MA 01581

Monday-Wednesday & Friday: 8:30am-4pm
Thursday: 8:30am-6pm
Saturday: 8:30am-12pm
24-hour drive-up ATM

Clinton

1073 Main Street, Clinton, MA 01510

Monday-Wednesday & Friday: 8:30am-4pm
Thursday: 8:30am-6pm
Saturday: 8:30am-12pm
24-hour drive-up ATM

Leominster

470 Lancaster Street, Leominster, MA 01453

Monday-Wednesday & Friday: 8:30am-4pm
Thursday: 8:30am-6pm
Saturday: 8:30am-12pm
24-hour drive-up ATM

Marlborough

256 Maple Street, Marlborough, MA 01752

Monday-Wednesday & Friday: 8:30am-4pm
Thursday: 8:30am-6pm
Saturday: 8:30am-12pm
24-hour drive-up ATM

Northborough

53 W. Main Street, Northborough, MA 01532

Monday-Wednesday & Friday: 8:30am-4pm
Thursday: 8:30am-6pm
Saturday: 8:30am-12pm
24-hour drive-up ATM

Shrewsbury

23 Maple Avenue, Shrewsbury, MA 01545

Monday-Wednesday & Friday: 8:30am-4pm
Thursday: 8:30am-6pm
Saturday: 8:30am-12pm
24-hour drive-up ATM

