



**Avidia Bank**

**Building on a Foundation  
of Community Values**

**2023 Annual Report**



## Supporting our strengths for what matters most: our customers, our colleagues, and our communities.

### A message from the president.

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I'm pleased to present the 2023 Avidia Bank Annual Report and to have the privilege of stewarding Avidia Bank to a successful year in 2023 and preparing for our bright and long-term future.

Avidia would not be where it is today without the leadership of my predecessor, Mark O'Connell, who retired in 2023 after 35 years of service to the bank. Under Mark's tenure as President & CEO, Avidia grew from a \$530-million financial institution with two branches to a \$2.4-billion full-service financial institution with nine branches. I'm thrilled that Mark has agreed to remain on the Board of Directors.

Also contributing to our success is director Paul Blazar who completed his six-year term as Chairman in 2023. While Paul's leadership will be missed, we are in good hands with his successor, Michael Murphy, who offers vast business experience and community connections to guide us in the future.

Change, including transitions in leadership, service enhancements, and shifting market conditions, is

a part of every organization. I can, however, assure you that one thing will never change: Avidia's commitment to the community banking values on which we were founded.

As a community bank, every decision we make is put through the lens of ensuring that it is in the best interest of the individuals, families, businesses, organizations, and communities that depend on us. Central to that mission is achieving measured growth while practicing prudent financial management to ensure we continue to provide a strong foundation and instill confidence in those we serve. The importance of that was underscored in 2023 when large institutions closed their doors, leaving customers worried about the safety of their hard-earned money.

In addition to benefitting from Avidia's financial strength, as a deposit customer, you are fully insured through a combination of FDIC and DIF.

### Setting new strategic priorities for long-term growth and success.

In 2023, assets reached a record \$2.58 billion and we experienced strong growth in both consumer and business loans. We were, however, not immune to economic challenges shared by large and small financial institutions in 2023, including tightened liquidity and interest rate uncertainty. This prompted us to review all aspects of our business to refine our priorities and begin to implement information-based decision-making to ensure we properly and efficiently allocate our financial and human resources.

***“As a community bank, every decision we make will be put through the lens of ensuring that it is in the best interest of the individuals, families, businesses, organizations, and communities that depend on us.”***

Among our current and long-term strategic priorities is simplifying and modernizing our products, technology, facilities, and processes to make banking easier for our customers and to empower staff to serve them more efficiently. To that end, we selected several new technologies that will be introduced during 2024. In addition, we continued our plan to modernize our facilities with the renovation of our Northborough branch.

We also have undergone initiatives to assess and build on our areas of strength, including revamping our array of retail deposit products so that we can provide clearer choices for our customers.

Our 270 employees are the true strength of Avidia and are at the forefront of our support of our customers, which is why we invested in programs to foster colleague retention and enhance their training and career development. We are also focused on strengthening our position as an employer of choice, ensuring we attract and retain talent to provide an even higher level of knowledge and expertise to our customers.

### Continuing the tradition of giving back.

As always, our planning efforts include our long-standing commitment to supporting the organizations that ensure the current and long-term betterment of our communities. In 2023, we were proud to give back \$491,104 and to continue our tradition of being a good neighbor.

### Thank you for your trust in us.

On behalf of our entire staff, I would like to thank you for entrusting your financial dreams and goals to Avidia. It has been our sincere honor to serve you in 2023 and to sharpen our strategic focus and commitment to pave the way for an even higher level of support and service for many years to come.

Sincerely,

Robert Cozzone,  
President & CEO

# Carrying out our mission to help local people succeed.

As we planned for the future of Avidia, we had to ask a key question: How can we continue to distinguish ourselves to ensure we are here to meet the needs of our customers today and for years to come? The answer was simple – put the needs of the people and communities we serve first. Here are some of the ways we delivered on that promise in 2023.

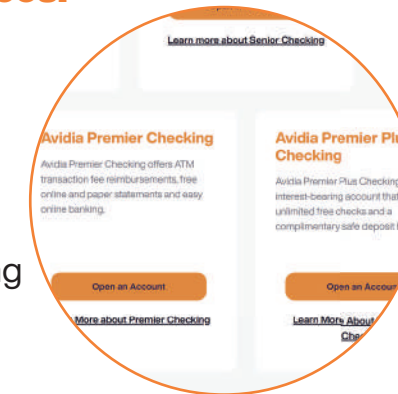


## Consumer Banking. Making banking clear, simple, and convenient.

We understand that every individual has unique needs in managing their money. At Avidia, we've worked to deliver the tools and support to meet every customer where they are in their personal financial journeys.

### Simplifying account choices.

In 2023, we streamlined and updated our checking and savings accounts to make it easier for our customers to find the right account that meets their budget and banking preferences.



### Enhancing online and mobile banking technology.

In 2023, we made a significant investment in a new and enhanced online and mobile banking platform. The new system, which will be implemented in 2024, features a personal financial management tool to help our customers save money, manage their budgets, and realize other financial goals. Additionally, the new infrastructure will provide a solid foundation on which we can build future enhancements to help our customers.



## Bringing banking in Northborough into the future.

As part of our ongoing efforts to enhance the customer experience in our branches, we renovated our Northborough branch. The open design allows our knowledgeable staff to better assist our customers.

## Business Banking. Giving local businesses the solutions and support they need.

As a community-focused institution, we know the value that local businesses bring to our communities. That is why in a year that brought interest rate uncertainty, soaring inflation, labor shortages, and other challenges, Avidia was committed to standing by our customers.

*“Avidia has always been able to provide us with what we need. We value the personal relationship we have with our banker who always takes the time to explain our options and help us make the best choices.”*

*Andy Broomfield, Vice President,  
Manufacturing Manager, Broomfield Labs*



## Stepping up to the plate

When Kevin Flaherty, a former Boston Red Sox trainer, came to Avidia in 2015 with a solid business plan to open a physical therapy business, we were ready to help. We provided the financing Kevin needed to open his practice in Northborough and stood by him during the challenges of the pandemic in 2020. Since that time, Avidia has helped **Flaherty Physical Therapy** expand its Northborough location and open a second one in Hudson.



## Growing relationships with our valued customers

We're proud to support local businesses through all stages of growth, including our long-time customer **Broomfield Labs**, with facilities in Bolton & Leominster. The third-generation, family-owned business makes machinery for the fast-growing transformer winding industry in the green energy and medical fields. In its 20-year relationship with Broomfield Labs, Avidia has helped the company finance new machinery and more recently, helped them obtain an SBA loan to fund a new warehouse in Sterling.

*“There are ups and downs in business. Avidia has always been there for me, helping me work out a plan to get through the challenges. I sleep better at night knowing I have their support.”*

*Kevin Flaherty,  
PT, COMT, CIDN, Owner,  
Flaherty Physical Therapy*

## Continuing a proud tradition of giving back.

As a community bank, our focus has not just been on helping our customers but helping all members of our communities through charitable donations, sponsorships, and employee volunteers.

### 2023 Avidia Bank Sponsorships and donations

**\$301,604**

Among our initiatives were pledges to:

Marlborough Regional Chamber of Commerce, Inc.

Riverside Community Care

Connor's Kindness Project, Inc.

We also were proud to provide scholarships to local students in all of the communities where we reside.

### 2023 Avidia Bank Charitable Foundation Giving

**\$189,500**

Among our initiatives were multi-year pledges to:

The Foundation for Metrowest

Big Brothers Big Sisters of Central Mass

NorthStar Family Services

Since its inception, we have awarded \$2,749,000 to 378 organizations

## Supporting the causes that improve the lives of others.

Our contributions to local organizations have helped address a variety of needs in the communities we serve, including:

- Addiction and substance abuse
- Cancer support
- Developmental disabilities
- Elder services
- Financial literacy
- Food insecurity
- Low-income housing
- Mental health
- Veterans services
- Youth programs

**880**

**Employee volunteer hours devoted to helping non-profits**



*“The United Way of Tri-County has proudly partnered with the Avidia Bank Charitable Foundation for nearly 3 decades. Because of the cornerstone support of the Foundation, the United Way of Tri-County has been able to feed the hungry with over 5.2 million pounds of food last year alone, provide safe, quality after-school programs for hundreds of children and teens, and answered over 500,000 free information and referral, mental health/suicide prevention calls.”*

**Paul L. Mina**  
*President and Chief Executive Officer  
United Way of Tri-County*

## Investing in the future and success of our valued colleagues.

At Avidia, we know that to meet the needs of our customers today and in the future, we must meet the needs of our colleagues who are the cornerstones of our success. With that goal in mind, we implemented several initiatives to attract and retain the very best colleagues for our customers.

Among them was developing guides that promote tangible career paths so that potential candidates can visualize advancement and growth opportunities at Avidia.

*“I’ve had great mentors who encourage me and ask me where I would like to go in my career. Avidia is a great bank with great opportunities.”*

**Jacqueline Messom**  
Assistant Branch Manager, Marlborough Office



## A top workplace that listens to the needs of our customers

Avidia was proud to be recognized as a Top Place to Work by the Boston Globe in 2023. We do understand that to continue to meet the needs of and retain top-performing colleagues, we must provide them with opportunities to grow and succeed. In 2023, we implemented biannual reviews with managers to discuss career paths and goals and help foster a culture of mentorship. We also administered our annual survey to ensure we stay attuned to their feedback, ideas, and concerns.

## From teller to Assistant Branch Manager

When Jackie Messom accepted a job as a teller at Avidia in 2018 after a career in hairdressing, she had no idea of the career she would build or the growth opportunities available. Today, Jackie is an Assistant Branch Manager at the Marlborough branch.

The Boston Globe  
**TOP PLACES  
TO WORK 2023**  
MASSACHUSETTS



*“I came to Avidia 10 years ago as a teller after earning my degree in Psychology. The guidance, support, and confidence I’ve received from my managers have helped me advance my career in management. Through their examples, I’ve learned how to be an effective leader in my current role.”*

**Brittney Ducharme,**  
Assistant Vice President  
Loan Operations

## Directors

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  
Brian Parker  
Ken Saul

## Trustees Emeritus

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

## Corporators

Andrew J. Abu  
Ronald Aspero  
Charles J. Bacon  
David Bagdon  
Daniel S. Ball  
James Ball  
John A. Bartolini Jr.  
Paul Blazar  
Richard A. Braga Jr.  
Michael D. Burks  
John Cain  
Vanessa Candela  
Richard Casaceli  
Preben Christensen  
Robert W. Conery  
Donna Cox  
Gerald L. Curley  
Jack Cutone  
Joseph J. DeCarolis Jr.  
Lee Dinner  
John M. Dombrowski  
Benjamin P. Donnarumma  
Joseph J. Durant  
Ronald G. Ebb  
Karim El-Gamal  
Daniel Fanselow  
Neil Flanigan  
Carol V. Gallagher  
Victor Galvani  
Mikala D. Geurtsen  
Linda Ghiloni  
Robert B. Gibbons  
Michael R. Girard  
Joseph Grimaldo  
Michael Hanley  
Richard Harrity  
James Hastings  
Richard Hastings  
Michael Higgins  
Maria Hopkins  
Scott Hughes  
Robert Ingle  
Philip C. Jack

Ian Johnson  
Craig S. Johnston  
John I. Lebeaux  
Stephen LeDuc  
Jeffrey B. Leland  
Mark Leonard  
Tiffany Lillie  
Thomas Lowe  
Maribeth Lynch  
Joseph F. MacDonough  
David McLaren  
Kevin E. McNamara  
Christopher Mingace  
Nancy Moran  
Susanne Morreale-Leeber  
Bartholomew H. Murphy, Jr.  
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  
Tiago Prado  
Ernest L. Rooney  
William Ross  
Andrew Rubenstein  
Michael P. Saliga  
Joseph Santos  
Ken Saul  
Thomas Savino  
Michael Seymour  
Margaret B. M. Sullivan  
James E. Tashjian  
Patricia A. Thomas-Fuller  
Paul Travis  
Kim E. Underwood  
Naray Viswanathan  
Barry Whitney  
Scott Young  
Constantino Zahariadis

## Officers

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 Risk Officer  
Nicolas Karmelek

Chief Operating Officer  
Bartholomew H. Murphy, Jr.

Chief Financial Officer  
Margaret B. M. Sullivan

### Senior Vice Presidents

Community  
Association Banking  
Lisa Allegro

Senior Commercial  
Relationship Officer  
Thomas Allain

Chief Internal  
Audit Officer  
Jocelyn Arsenaault

BSA Officer  
Trevor Bethel

Deposit Operations  
Emily Braga

Security & Compliance  
Neil Buckley

Commercial Relationship  
Officer and Team Lead  
Charles Budd

Merchant Program Solutions,  
BIN Sponsorship  
Manager  
Cheryl Cain

Card & Payment Solutions  
Rita Janeiro

Commercial Relationship  
Officer and Team Lead  
Maureen Marshall

Chief Marketing Officer  
Janel Maysonet

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

Senior Commercial  
Relationship Officer  
Joseph Sova

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 Bonetti

Learning &  
Development Manager  
Keri Brown

HSA Client  
Relationship Officer  
Mary Brown

Market Manager,  
Northborough Office  
Jennifer Cardoso

Operational Risk Manager  
Michelle Chase

Payment Solutions  
Erin Curry

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

Product Manager,  
Merchant Acquiring  
Zachary Grant

CRA Officer  
Laura Hughes

Workout and  
Collections Officer  
Lisa Luz

Business Banking Officer  
Stephanie Luz

Assistant Treasurer  
Karen Moe

Cash Management  
Jill Mollica

Development Manager  
Joshua 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 Slavinskas

Senior Residential  
Loan Officer  
Kelly Tierney

Health Care Solutions  
Relationship Officer  
Lynda Westbrook

Deposit Operations  
Patti Wood

### Assistant Vice Presidents

Branch 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 Gratzler

Internal Audit  
Tammy Gulcius

Market Manager,  
Framingham Office  
Dominique Jean-Pierre

Electronic Services  
Lisa Joyce

Credit Card Portfolio  
Manager  
Missy Lindberg

Manger, Payments Risk  
James Middleton

Branch Manager  
Shrewsbury Office  
John Muse

Customer Care  
Center Manager  
Margaret Nelson

Loan Operations  
Kingsley Osias

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

Payments Underwriter  
Kyoungduk Wong

### Bank Officers

Payment Services  
Officer, Team Lead  
Angelina Beers

Card Issuing  
Implementation Officer  
Justine Buck

Project Manager  
Daniela Cunha Raphael

Branch Manager,  
Clinton Office  
Carmen Hastings

Deposit Operations Officer  
Corie Keddy

Senior Credit Analyst  
Ali Mattingly

Portfolio Manager  
Richard Schrader

Loan Operations Supervisor  
Jennifer Smith

BSA High Risk Team Leader  
Ryan Trouve

Assistant Controller  
Phi Truong

*As of 3/31/24*

ASSETS	December 31, 2023	December 31, 2022	December 31, 2021
Cash and Cash Equivalents		in thousands	
Cash and due from banks	\$70,343	\$77,853	\$279,698
Money market funds	-	-	31,000
Total cash and cash equivalents	<u>70,343</u>	<u>77,853</u>	<u>310,698</u>
Investment Securities			
Securities, trading	7,023	6,213	921
Securities held to maturity	15,746	16,649	11,752
Securities available for sale (at fair value)	<u>141,128</u>	<u>211,121</u>	<u>181,614</u>
Total investment securities	<u>163,897</u>	<u>233,983</u>	<u>194,287</u>
Mortgage-backed and related securities	121,746	128,317	142,125
Loans receivable, net	2,113,447	1,925,069	1,586,227
Accrued interest receivable	8,489	7,258	6,246
Premises and equipment, net	28,450	26,818	23,709
Foreclosed real estate	239	-	-
Federal Home Loan Bank stock, at cost	16,823	12,779	1,696
Refundable federal and state income taxes	170	119	367
Deferred income taxes	14,640	17,454	6,288
Other assets	<u>50,873</u>	<u>46,611</u>	<u>45,740</u>
	<u>\$2,589,118</u>	<u>\$2,476,261</u>	<u>\$2,317,382</u>
<u>LIABILITIES AND RETAINED EARNINGS</u>			
Liabilities			
Deposits	\$1,947,456	\$1,963,198	\$2,079,222
Advances from Federal Home Loan Bank	401,000	296,500	10,000
Advances from borrowers for taxes and insurance	3,403	3,424	2,829
Accrued interest payable	723	135	63
Accrued expenses and other liabilities	28,196	24,500	17,151
Subordinated debt	<u>27,542</u>	<u>27,408</u>	<u>24,945</u>
	<u>2,408,320</u>	<u>2,315,165</u>	<u>2,134,210</u>
Retained Earnings	203,787	192,957	183,999
Unrealized gain (loss) on securities available for sale, net of applicable deferred income taxes of (\$8,737,170) in 2023, (\$11,484,806) in 2022, and (\$318,131) in 2021.	<u>(22,989)</u>	<u>(31,861)</u>	<u>(827)</u>
	<u>180,798</u>	<u>161,096</u>	<u>183,172</u>
	<u>\$2,589,118</u>	<u>\$2,476,261</u>	<u>\$2,317,382</u>

	December 31, 2023	December 31, 2022	December 31, 2021
INTEREST INCOME		in thousands	
Mortgage loans	\$51,728	\$38,297	\$33,690
Commercial loans	47,260	35,312	35,508
Other loans	345	285	376
Investment securities	6,083	4,701	3,304
Mortgage-backed and related securities	2,397	2,810	1,853
Other interest earning assets	<u>2,248</u>	<u>1,772</u>	<u>395</u>
	<u>110,061</u>	<u>83,177</u>	<u>75,126</u>
INTEREST EXPENSE			
Deposits	20,320	3,964	3,980
Borrowed funds	<u>19,452</u>	<u>3,821</u>	<u>1,964</u>
	<u>39,772</u>	<u>7,785</u>	<u>5,944</u>
NET INTEREST INCOME	70,289	75,392	69,182
PROVISION FOR LOAN LOSSES	2,600	1,225	3,125
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>67,689</u>	<u>74,167</u>	<u>66,057</u>
NON-INTEREST INCOME			
Fees and service charges	11,832	9,565	13,431
Change in market value for investment securities, net	(14)	(5,892)	6,322
Investment management income	<u>1,234</u>	<u>1,360</u>	<u>1,271</u>
	<u>13,052</u>	<u>5,033</u>	<u>21,024</u>
NON-INTEREST EXPENSE			
Compensation and employee benefits	33,991	34,415	32,446
Occupancy and equipment	5,110	4,900	4,229
Marketing	2,532	3,051	2,438
Deposit insurance	2,615	1,604	1,749
Data processing	8,910	13,242	13,159
Depreciation	2,795	2,564	2,510
Other operating expenses	<u>8,965</u>	<u>7,113</u>	<u>7,573</u>
	<u>64,918</u>	<u>66,889</u>	<u>64,104</u>
INCOME BEFORE FEDERAL AND STATE INCOME TAXES	15,823	12,311	22,977
FEDERAL AND STATE INCOME TAXES	<u>3,877</u>	<u>3,354</u>	<u>5,622</u>
NET INCOME	<u>\$ 11,946</u>	<u>\$ 8,957</u>	<u>\$ 17,355</u>



## 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

196 Washington Street, Hudson, MA 01749  
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

## 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

## 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



**Avidia Bank**  
Honest to goodness.

Member FDIC | Member DIF | [www.avidiabank.com](http://www.avidiabank.com)