



# Annual Report

FOR YEAR-END 2020

# ANNUAL REPORT

FOR YEAR-END 2020



**Build something.**

Prepared for

**NB Financial, MHC**

AND ITS SUBSIDIARY

**NB NeedhamBank<sup>SM</sup>**



## THE BUILDER'S BANK

### OUR MISSION

Needham Bank is committed to our customers and the communities we serve, delivering the most advanced financial solutions and state-of-the-art technologies while maintaining an unwavering commitment to our communities and stakeholders. We are passionate about providing best in class customer service and helping build strong communities. We are the Builder's Bank, whether you're constructing a building, building your household, your business or your community, we are here to help you!

## A LETTER FROM THE CHAIRMAN

Jack McGeorge



Dear Friends:

It's safe to say that 2020 will be remembered as a year that tested our team, our communities and indeed our nation. Against the backdrop of a global pandemic and civil unrest throughout most of the United States, I'm pleased to

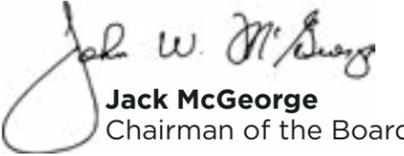
report that Needham Bank is profitable and well capitalized, serving more area businesses and consumers than ever before.

Our pandemic response during 2020 was characterized by a singular focus on the health and safety of our employees and customers. The significant investments we made in technology over the last several years allowed us to deploy over 70% of our workforce for remote work while serving customers in our lobbies, at our drive up windows and through our online channels. Digital adoption increased 20% as customers came to rely on virtual channels to do everything from depositing checks, paying bills and transferring funds both internally at Needham Bank and externally to other financial institutions.

This year was also a time to reflect on social justice and equality and to ensure that Needham Bank is both supporting the diverse needs of our communities and creating a work environment that is inclusive for all employees. To that end, we opened a branch in the Mission Hill neighborhood of Boston to serve low to moderate income residents and redoubled our outreach to minority, women and veteran owned businesses looking for Paycheck Protection Program loans. We've also entered into a multi-year agreement with Orange Grove Consulting to provide training to all bank employees on unconscious bias and ways to create a more diverse and inclusive work culture. Moving forward, we are earmarking 20% of corporate giving to organizations that help address issues related to social justice so that everyone in our community has equal access to opportunity.

We view all of this work as critical to our mission as a community bank. Fairness and transparency matter, which is why we continue to offer competitive rates on loans and deposits, without a lot of unnecessary terms and conditions to qualify. We don't spend a lot of time dreaming up unnecessary fees - we believe in offering honest value to the consumers and companies that honor us with their business. We also believe in making strategic investments in technology that allow customers to bank with us whenever and wherever it's most convenient for them. This proved to be another winning strategy in 2020, as we saw more consumers and businesses switching to Needham Bank for our unique blend of big bank products and technology combined with superior service and community commitment.

Needham Bank has built a strong foundation for growth and prepared our company for the future. This was a year unlike any other, and it required almost Herculean efforts by management to combat all the various COVID related issues involving our staff and facilities. As always I thank our customers, employees, management team, Board of Directors and Corporators for their contributions to the Bank's success. Most especially, this year I want to thank our "financial first responders" - the people that came in every day to serve our customers face to face throughout the pandemic. Your willingness to adapt to challenging circumstances, to work extra shifts when teammates were sick or needed to quarantine, and to serve our customers with humor and grace was inspirational and appreciated.

  
**Jack McGeorge**  
Chairman of the Board





# A LETTER FROM THE PRESIDENT & CEO

Joe Campanelli

Dear Friends,

Despite a year unlike any in recent history, I'm pleased to report that Needham Bank had a solid, all around performance. Assets grew by 9% to \$2.7 billion at year end 2020, with strong growth in both our commercial and consumer business lines. We donated close to \$800 thousand to support non-profits in our community and we were voted a Boston Globe Top Place to Work.

Throughout the year, we continued to diversify our loan portfolio, reflecting the ongoing buildout of our commercial banking capabilities. Total loans grew 7% to \$2.2 billion at year-end, led by a \$153.6 million increase in our commercial real estate portfolio and a \$118.0 million increase in our commercial and industrial loan (C&I) portfolio. Our Residential Lending team generated a record \$408 million in loans in 2020, allowing us the opportunity to sell mortgage loans on the secondary market and increase fee income while retaining the servicing and customer relationship. Asset quality remained solid as non-performing assets to total assets remained under 1%, an indication of our strong credit philosophy and underwriting discipline.

As part of our pandemic response, Needham Bank generated over \$160 million in Paycheck Protection Program (PPP) loans, helping save 16,000 area jobs. Approximately half of our loans came from non-customers and the vast majority have decided to move their banking relationship to us, significantly increasing the number of small businesses that bank with Needham Bank.

Total deposits increased 18% to \$2.2 billion, reflecting gains in both consumer and business

deposits, particularly from companies looking for a robust suite of cash management products and services. We're finding that more and more businesses want the sophisticated cash management products typically found at much larger institutions combined with the personal, community focused, attentive service Needham Bank delivers.

Net income for the twelve month period ending December 31, 2020 was \$14.1 million, nearly \$2 million less than the prior 2019 period. This reflects an increase of \$5.4 million added to our provision for loan losses, as well as an increase in non-interest expense of \$3.3 million as we opened a new branch in the Mission Hill neighborhood of Boston, expanded our commercial banking team and invested heavily in technology and fraud prevention initiatives. This was offset by gains in non-interest income of \$3 million, reflecting fee income from the sale of mortgage loans and higher sales of cash management and treasury products.

## Pandemic Response

The Covid-19 pandemic has had an impact on economies, households, businesses and financial institutions around the world. We could never have predicted the nature or extent of this crisis. The Bank was on solid footing operationally and financially going into this crisis, maintaining exceptional levels of capital and liquidity and remains so today.

In March of 2020, we were able to leverage the significant investment we made in technology over the last several years to deploy about 70% of our staff for remote work, continuing to serve customers with little interruption.

We donated \$790 thousand to area non-profits, an 8% increase over 2019, and changed the timing of our donations to get funds to our non-profits earlier in the year so that they didn't have to spend valuable and limited resources on fundraising.

As the pandemic raged throughout 2020, our team was nimble and flexible in meeting the changing needs of our customers and communities. Multiple departments worked nights and weekends for months to handle the influx of PPP loan applications throughout the spring and summer. The dedication and commitment of Needham Bank employees were never more evident – all were asking “How can I help; what do you need?” Branch employees were asked to rotate to new locations as needed, while our support teams learned new ways of collaborating on projects through technology. Loan officers met customers in parking lots to close loans or take applications for those borrowers that didn't have the technology to do so remotely. To say that I'm proud of this team would be an understatement.

## Looking Forward

If the pandemic taught us anything, it's that Needham Bank is a future-ready organization able to meet any challenge. As part of our journey to become a “Super Community Bank”, we continue to invest in people, technology, products and services without ever straying from our community roots. In 2021, we will implement a number of initiatives to continue to improve the customer experience and expand our product offerings. This includes:

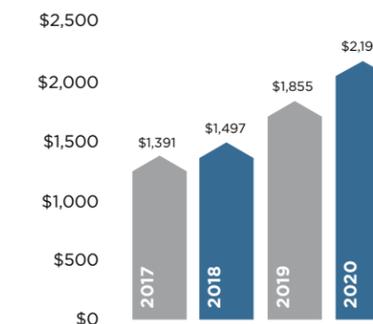
- Implementing an online application portal for Small Business customers to reduce the time it takes to underwrite, approve and close their loans
- Launching a new Customer Care Center focused on first call resolution so callers avoid the run around and long wait times they experience at many other banks
- Upgrading our automated teller machines to improve up time and functionality
- Relocating our Dedham branch to a new location offering two drive-up lanes, including a drive-up ATM and a night depository
- Building staff diversity through internships and outreach to minority candidates, and continuing our partnership with Newton-based Orange Grove Consulting to ensure our team is well-versed on diversity and inclusion topics
- Introducing new fraud prevention initiatives for consumers and businesses including enhanced monitoring, increased staff and customer training, and additional fraud prevention product enhancements and services

## Build Something

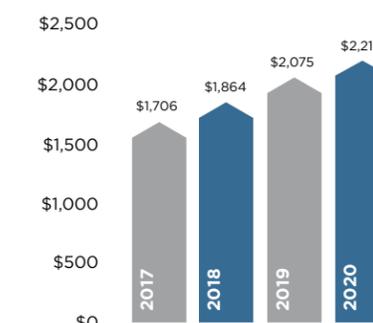
Our new “Build Something” tagline, a nod to our decades-long reputation as the “Builder's Bank,” has become a rallying cry to those who are looking to build a business, a home, a nest egg and community. I thank our customers both new and old for looking to Needham Bank when they want to build something for their futures. I thank our Board of Directors and Corporators for their guidance as we build on Needham Bank's strong financial foundation and reputation. And finally, I thank our exceptional team of Needham Bankers as we build the next “Super Community Bank” that offers all of the products and technology that the big banks do, with an unparalleled level of service and local commitment.

**Joseph P. Campanelli**  
President & CEO

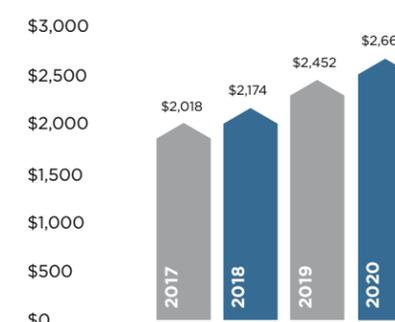
TOTAL DEPOSITS (IN MILLIONS)



TOTAL LOANS (IN MILLIONS)



TOTAL ASSETS (IN MILLIONS)



# COMMERCIAL & INDUSTRIAL (C&I) LENDING

At Needham Bank, helping local businesses build for their future is an important way we serve our communities. Over time, we've grown our commercial banking capabilities and expanded our offerings to support small businesses, middle-market firms, and larger corporate entities. During the pandemic, we expanded our C&I team to meet the growing needs of area businesses, adding seasoned commercial bankers that are focused not on transactions but on adding value and building long-term relationships. Our commercial lending team will work with you to understand your business's unique needs, recommending strategies and solutions to help your business succeed. They are fully equipped with the tools they need to assist businesses, non-profits, and municipalities build for their futures with competitive loan products and sophisticated cash management services.

In 2020, the C&I team, supported by members from virtually every other area of the bank, processed close to 1,000 Paycheck Protection Program (PPP) loans through the Small Business Administration (SBA), making over \$160 million in loans and saving 16,000 area jobs. The team added interns from nearby colleges and processed loans seven days a week, submitting loan applications into the wee hours of the night when the SBA portal was most accessible. Unlike many banks that took applications without fully underwriting loans, we took the time to verify the loan amounts requested so that our borrowers knew what to expect when the SBA reviewed the loan. The result was that a majority of our PPP loans were forgiven in full by the SBA by year-end 2020, making it easier for our borrowers to participate in the second round of PPP funding.

This attention to detail is indicative of the time and care our lenders take when it comes to learning about you and your business. Our goal is to provide both loan and cash management solutions to help your firm prosper. We offer straightforward and transparent lending options including revolving lines of credit, senior term loans, commercial mortgages, equipment loans, letters of credit, interest rate derivatives, and Small Business Administration (SBA) loans.

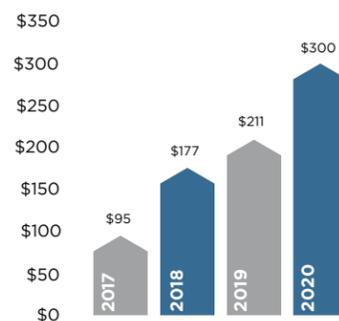
Our C&I group has experts ready to help your business at each stage of growth. Our Small Business team helps small businesses needing less than \$1 million in commercial debt facilities and offers a range of SBA products. The Middle Market team works with businesses seeking loans between \$1 million to \$10 million; and the Structured Finance team provides loans from \$10 million to \$35 million, with the opportunity to bring in other banks to participate as needed.

All of our teams are ready to assist with a full cash management suite and deposit capabilities to serve any size business. We'll recommend the best combination to help you maximize cash flow, save money and reduce the time you spend on your business's finances. Our cash management platform offers enhanced security features such as positive pay and ACH positive pay to help our business clients avoid fraud.

## 2020 Highlights



C&I LOANS (IN MILLIONS)



[customer profile]

## Village Forge, Inc.

Tina Killeen has seen Village Forge transform from a small railing shop out of her parents' basement to a successful steel fabrication and welding company. Tina joined the family-owned business in 1982 alongside her three brothers and is now President of Village Forge.

Over the years, Village Forge has worked on a portfolio of impressive projects including the Logan Airport Satellite Station, Massachusetts State House Senate Chambers, the Green Monster Sign at Fenway and many more. However, when the COVID-19 pandemic hit, Tina knew she'd need help to keep her team of 22 employed.

When the Small Business Administration started the Paycheck Protection Program (PPP), Tina recalls being told by her bank at the time that they wouldn't be able to help her secure a loan. Determined to find a solution, Tina reached out to Michael Semizoglou, SVP—Director Small Business, to see if there was anything he could do for her business even though Village Forge wasn't a Needham Bank customer yet. And just like that, Michael was able to provide her with a PPP loan.

Tina is incredibly appreciative of Needham Bank's response to the pandemic and dedication to helping as many local businesses as possible, whether they were customers or not. Knowing that 22 of the nearly 16,000 jobs Needham Bank saved were her employees is something that she will always feel thankful for.

Now that Village Forge is a full-fledge Needham Bank customer, Tina looks forward to the continued support and superior customer service from Michael and his team.

**"Needham Bank was there for Village Forge when no one else was. Every employee I've interacted with has gone out of their way to assist me however they can, which isn't what I experienced at previous banks. The customer service and dedication to being a community partner are absolutely tremendous."**

- Tina Killeen



**“I’m constantly looking for new opportunities to build my real estate portfolio. Having Needham Bank and Andy by my side is invaluable to me. I always have someone to call that will give me straight answers and make the process easy as can be when I move forward with an opportunity.”**

- Daniel Jeannite

[customer profile]

## Daniel Jeannite

Daniel Jeannite is a real estate expert who has served the Greater Boston community for over 16 years. He’s quickly built an impressive career as an associate broker, where he focuses on buying and renovating properties so that he can sell them to clients in the local markets.

Taking on these different projects, Daniel was in need of a trustworthy financial partner. He remembers Needham Bank being at the top of his list after he’d heard nothing but good things about us.

He began to work with Andy Rafter, who helped him with a Commercial Real Estate Loan for a retail/office building in West Roxbury. Jeannite recalls how simple the process was—from getting all the necessary paperwork together to actually acquiring the financing.

On top of the smooth loan process, Daniel is constantly impressed by the relationship he’s built with his loan officer, Andy. Anytime he needs advice on a particular project, he knows that he has someone to call to give straightforward and meaningful input. It’s comforting to know that he has a partner he trusts and will never be led astray as he builds his real estate business.

Our partnership has allowed Daniel to meet important goals that have helped propel his career. As for the future, Daniel’s entrepreneurial spirit has him focusing on converting purchased land into rental apartments—something that wouldn’t be possible without the help of Needham Bank.

## COMMERCIAL REAL ESTATE (CRE) LENDING

Needham Bank, commonly referred to as “The Builder’s Bank,” has been the construction lender of choice throughout Greater Boston for decades. This reputation, part of our 128-year heritage, developed thanks to our ability to serve the commercial real estate borrowing needs of our builders.

In 2020, our commercial loan portfolio grew 18% to \$1.1 billion in assets, despite the pandemic, which is a true reflection of our commercial real estate lenders’ ability to meet our builders’ borrowing needs. Our CRE team takes the time to truly get to know our commercial borrowers’ projects and teams and tailor loan packages that meet their individual needs. This well-established personal service greatly benefited our borrowers and made them feel confident as they worked to navigate through a time of uncertainty.

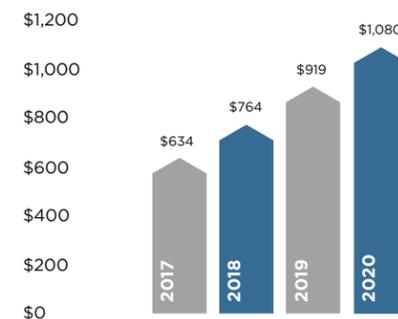
Our CRE team is structured to cater to the unique needs of our builders. One of the reasons we are able to deliver on our “Builder’s Bank” reputation is that our Credit Committee meets at least twice a week and our Security Committee meets daily. This means that our borrowers are able to get their loans approved and closed faster. Not to mention, this frequency allows for site inspections to be completed within days of request, and funds can be dispersed quickly after a satisfactory inspection. We also provide our clients with direct access to their loan officer, as well as access to our executive team and our senior managers.

In 2020, our CRE team actively participated in programs such as Paycheck Protection Program loans, the Coronavirus Aid, Relief, and Economic Security (CARES) Act loan modifications, and Main Street Lending Program loans to assist our clients who suffered financial hardship as a result of the pandemic. In response to the pandemic, CRE lenders booked 33 loan modifications with total note balances of \$102 million.

In short, our personalized service, responsiveness, and accessibility allow us to form long-term relationships with builders that keep our commercial real estate lending business growing every year.

### 2020 Highlights

#### NET COMMERCIAL REAL ESTATE LOANS (IN MILLIONS)



**LOANS GREW 18% to \$1.1 billion**

# RESIDENTIAL LENDING

2020 was a record-breaking year for the Residential Lending team, driven by record low interest rates and a demand for our purchase, refinance, and home equity line of credit (HELOC) products. We originated over \$408 million in residential loans during 2020, a record in our loan history. This included a 32% increase in residential mortgage units and a 54% increase in HELOC units.

Homeownership is the bedrock of our communities, and it's our pleasure to support borrowers with a wide variety of fixed and adjustable rate loans. This includes our innovative 40-Year mortgage, which helps many new homebuyers keep their payments low when they purchase a home and our Construction-to-Permanent mortgage that saves time and money with just one loan application and closing. Borrowers looking to buy, build, or refinance choose Needham Bank because they know they can count on competitive rates and a variety of products, terms, and options to make homeownership affordable.

With our residential mortgage options, you can have money ready when you need it. We offer an unbeatable combination of online application technology and experienced loan officers that will work with you through every step of the application and underwriting process to ensure a quick decision and smooth loan closing. And when you need a little extra help, our experts are there for you. During the pandemic, we were able to assist over 100 of our customers with payment deferments, helping them survive challenging financial times.

In 2020, we focused efforts to reach out to minority and low to moderate-income borrowers through paid online search in the absence of being able to reach out in person due to Covid. With these efforts, we saw a 32% increase in our lending to minority borrowers and a 44% increase in low to moderate-income borrowers.

For those looking to tap into the equity of their home to fund projects and home improvements, our Home Equity Line of Credit (or HELOC) offers an affordable alternative. Many borrowers like the knowledge that the funds are ready when they need it and easily accessible by writing a check or transferring funds into their Needham Bank checking account. Apply online or with a loan officer—either way, our Needham Bank HELOC experts will work with you to get you a quick decision, so funds are available when you are.

## 2020 Highlights



[customer profile]

## The Bennett Family

When Darren Bennett was offered the position to be an assistant coach of the Boston University women's basketball team, he was thrilled to be able to move back to Massachusetts with his family. Darren and his wife both grew up here but had previously lived in New York for many years. With the move back to the Greater Boston area, their kids could finally grow up close to family and attend one of the best public school systems in the state.

The Bennett family's next step was finding and purchasing a new home in Sudbury. They knew they wanted to find a local banking partner to help with their financing needs, and that's when they turned to Needham Bank. They soon began working with a loan officer who helped them choose the right mortgage product to make their family dream home a reality.

The Bennetts recall how simple the loan process was and appreciated the guidance they were given from the Needham Bank team. After understanding all of the financing options available, they were coached on the best mortgage for their needs, rather than the easiest option for the bank. This type of altruistic service still resonates with them today.

More recently, we helped the Bennett family refinance their mortgage to take advantage of the drop in interest rates. All in all, they find that banking is easy with Needham Bank—making the Bennett's relationship with us a real slam dunk.

**"Needham Bank is a great organization with great people. They are exactly what everyone wants and needs when they're looking to buy a house or make a big purchase."**

- Darren Bennett





**“At a big bank you’re just a number — nobody knows you and nobody cares. At Needham Bank, that’s not the case. You always receive the best service and feel like the most important person in the world.”**

- Bret LaBelle

[customer profile]

## Bret LaBelle

Boston Police Lieutenant Bret LaBelle opened his first account at a big bank when he was just 13 years old. Although this bank was all he’d ever known, he couldn’t seem to ignore the fact that he was growing more and more disappointed with the service and unnecessary fees he kept receiving from them.

Over 6 years ago he became so fed up with the big bank that after driving by one of our branches on his way home to Dedham, he finally decided to stop in and was immediately greeted by a warm and attentive staff. He was so impressed by branch manager Jackie Biancuzzo that he opened his first checking account right then and there.

LaBelle quickly realized the value of a full relationship with Needham Bank. The high level of service, sense of community, and easy-to-use products ultimately influenced him to switch all of his banking over to Needham Bank—ending the big bank relationship he’d had for years with no regrets.

Bret’s journey has brought many exciting opportunities, including a role as a contestant on CBS’s Survivor and The Amazing Race. Competing on these shows sparked a newfound passion for travel in LaBelle and he considers himself lucky to have already had a banking partner that reimburses ATM fees. With NB Checking’s unlimited ATM fee reimbursement, Bret can focus on creating new experiences while traveling and not trying to find the nearest low-cost ATM.

## CONSUMER BANKING

In 2020, Needham Bank grew deposits by 18%, reaching \$2.2 billion—a milestone in our history. Our customers appreciate our competitive rates, flexible options, and no-nonsense approach to fees. While deposit balances grew during the pandemic as consumers worked from home and quarantined, we also saw strong growth in new customers throughout the year. This can primarily be attributed to NB Checking, our best-in-class free checking account with no monthly fees, and no minimum balance or transaction requirements. It provides full ATM reimbursement at every ATM in the world and was rated a top account by Investopedia in 2020.

Wherever you are, you can access all your finances with our powerful and easy-to-use platforms, which is why we serve customers from 50 states. But the best part is that you can rely on a local, friendly Needham Banker for help and advice when you need it. We believe the combination of “big bank” technology combined with reliable experts and accessible service is what differentiates Needham Bank from our competitors.

In response to the pandemic, we saw an increased reliance on digital channels to serve our customers. Thankfully, our top-rated online banking and mobile apps make it easy to move money, pay bills, create budgets, and aggregate all of your other bank, brokerage, and credit card accounts. Deposits that are invested with us, your community banking partner, stay in the community. By putting our capital toward loans to consumers and businesses, a virtuous cycle that benefits the community is created.

To continue being a strong community partner, we opened our first Boston branch in Mission Hill during the pandemic. We knew how important a local financial partner would be to help community members and local businesses get back on their feet. The Mission Hill location is one of five new Needham Bank branches opened during the past five years, bringing our total number of branch locations into the double digits.

In 2021, we will continue our focus on the customer experience, investing in training, improving processes, and introducing technology enhancements to make banking here easier than ever. This will include the introduction of a new Customer Care Center that will provide first point of resolution for those who call or email looking for information or answers to questions. Our Care Center will be staffed by friendly, local Needham Bankers who are experts in our products and technology. We will also introduce credit cards, person-to-person payments through Zelle, and Jassby, a financial literacy app to help children save, donate, and spend their funds.

### 2020 Highlights

 **DEPOSITS GREW 18% to \$2.2 billion**

 **Opened the MISSION HILL BRANCH**

# COMMUNITY

Community support was never more important than in 2020 and Needham Bank was proud to provide over \$790 thousand in support to non-profits in our area. Recognizing that many of our non-profit partners faced economic uncertainty, we accelerated the timing of our donations so that non-profits didn't have to spend money and resources on fundraising at a time when many were furloughing employees. Providing consistent, reliable year over year support was an important part of our strategy, whether it was through financial donations or volunteering when and where we could, in person or online. We also increased support to health and human services partners to better serve those in need and designated 15% of our contributions to support social justice causes.

## 2020 Financial Education

Financial support is only part of how we give back. As a community bank, it's vital to our mission to provide our customers and community with quality financial education and fraud prevention resources.

In 2020, our plan was to hit the ground running with in-person presentations and until the pandemic, we did exactly that, presenting financial education to local high school students and elder fraud prevention tips to local seniors.

Once it became clear we had to pivot from in person seminars and classes, we focused on delivering a broad range of financial education content through webinars, our website and social channels, and emails to our customers. Topics included everything from budgeting to borrowing, college financing to first time home buying, and how to use digital banking tools to make life easier.

In partnership with the Newton-Needham Regional Chamber, we sponsored webinars on small business fraud prevention and cybersecurity best practices. We also were able to share our Elder Fraud Prevention webinar with seniors in partnership with the Needham and Wellesley Councils on Aging.

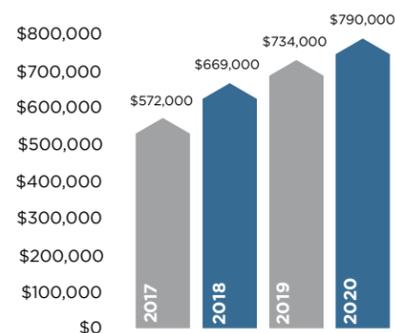
In 2021, we look forward to being out in the community once again, volunteering and connecting with our communities in person.

## 2020 Highlights



Designated  
**15% OF CONTRIBUTIONS TO  
SOCIAL JUSTICE CAUSES**

### TOTAL CONTRIBUTIONS & SPONSORSHIPS



[partner profile]

## Riverside Community Care

Scott M. Bock, Founder and CEO of Riverside Community Care, began his non-profit in 1990 with the mission to use behavioral healthcare and human services to improve access to quality care. He's seen Riverside grow from six employees working out of a single location to more than 1,700 employees working at 100 sites around Massachusetts. And while Riverside remains committed to locally-based care, its growth has allowed the organization to branch out to provide digital learning platforms—now serving over 3,000 schools and colleges, and over 3 million people across the globe.

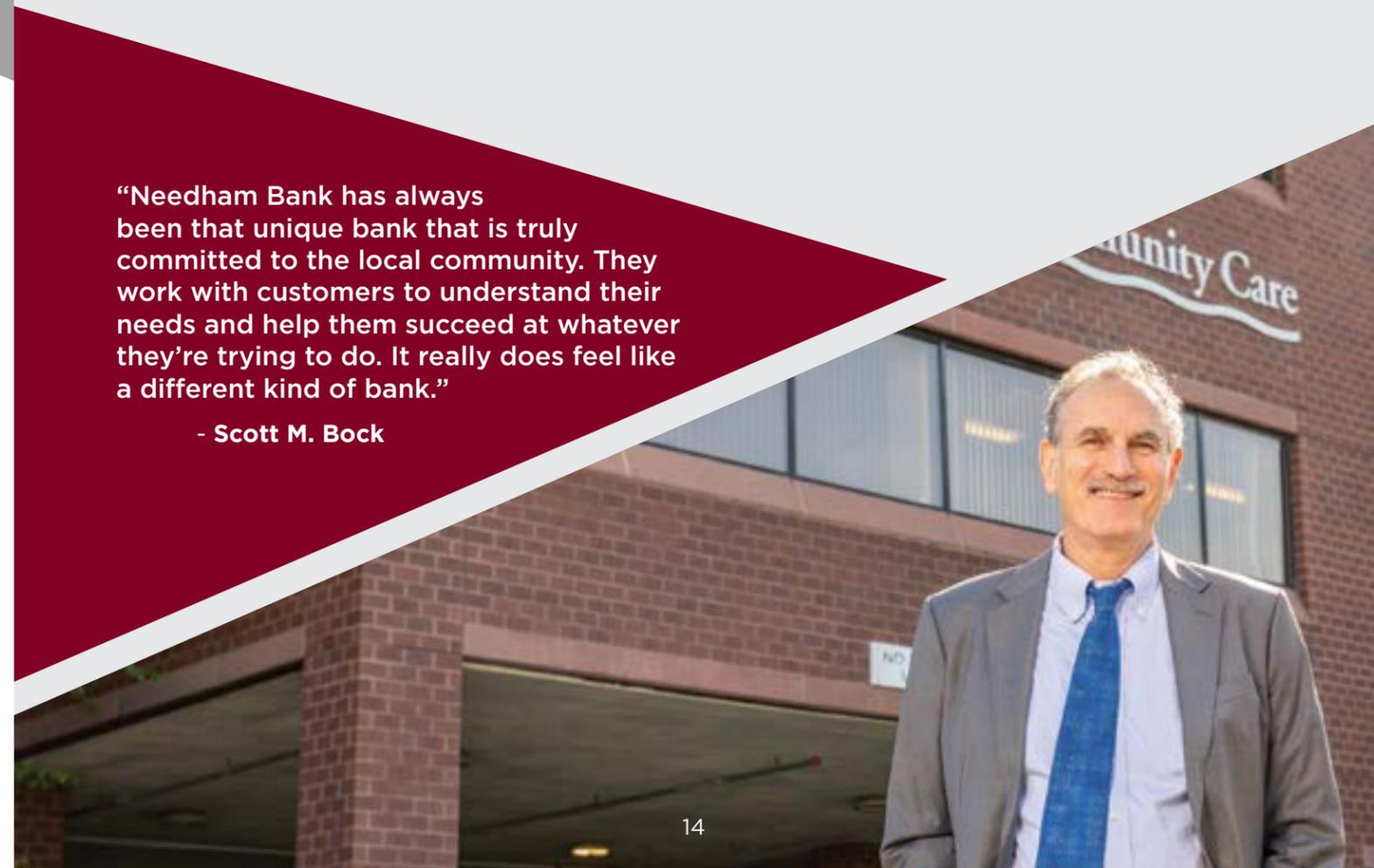
As Riverside expanded, Scott quickly realized how important it was to have a banking partner that truly wants to see the organization succeed. Over 10 years later, he notes that Needham Bank continues to be a steadfast supporter of what Riverside Community Care is doing for the world.

Bock values the dedication that Needham Bank leadership has to supporting non-profits in the community. This is something he's not only seen under Joe Campanelli, President and CEO, but a commitment he's experienced since the beginning of Riverside's relationship with us, when Mark Whalen was CEO.

Scott shares that our generous annual charitable contribution allows for innovation, rich advocacy efforts, and the highest quality care for the people who depend on Riverside Community Care. And in order to continue expanding Riverside's impact, Scott looks forward to maintaining his meaningful partnership with Needham Bank.

**"Needham Bank has always been that unique bank that is truly committed to the local community. They work with customers to understand their needs and help them succeed at whatever they're trying to do. It really does feel like a different kind of bank."**

**- Scott M. Bock**



# NB Financial, MHC and Subsidiary

## FINANCIALS

Statement of Condition (in thousands)	December 31, 2020	December 31, 2019
<b>ASSETS</b>		
Cash and due from Banks	<b>\$191,580</b>	\$89,678
Federal funds sold	<b>31,139</b>	16,725
Total cash and cash equivalents	<b>222,719</b>	106,403
Investment securities Available for sale, at fair value	<b>155,192</b>	192,404
Loans receivable, net	<b>2,175,191</b>	2,062,907
Accrued interest receivable	<b>8,562</b>	6,566
Other real estate owned, net	<b>-</b>	910
Banking premises and equipment, net	<b>29,927</b>	29,838
Co-operative Central Bank Reserve Fund	<b>139</b>	3,014
Federal Home Loan Bank stock	<b>8,058</b>	14,983
Federal Reserve Bank stock	<b>6,232</b>	5,159
Non-public investments	<b>5,882</b>	2,852
Bank owned life insurance	<b>3,616</b>	3,535
Prepaid expenses and other assets	<b>42,478</b>	19,927
Income tax refunds receivable	<b>-</b>	299
Deferred income tax asset	<b>5,998</b>	4,782
Total Assets	<b>\$2,663,994</b>	\$ 2,453,579
<b>LIABILITIES AND EQUITY</b>		
Deposits	<b>\$2,202,061</b>	\$1,860,082
Mortgagors' escrow accounts	<b>3,588</b>	3,698
Borrowings	<b>120,368</b>	277,327
Accrued expenses and other liabilities	<b>226</b>	-
Accrued retirement liabilities	<b>24,359</b>	15,310
Total liabilities	<b>\$2,356,677</b>	\$2,161,323
Commitments and Contingencies Equity:		
Retained earnings	<b>306,825</b>	292,754
Accumulated other comprehensive income (loss)	<b>492</b>	(498)
	<b>307,317</b>	292,256
	<b>\$ 2,663,994</b>	\$ 2,453,579

Statement of Operation (in thousands)	December 31, 2020	December 31, 2019
<b>INTEREST AND DIVIDEND INCOME</b>		
Interest and fees on loans	<b>89,455</b>	91,102
Interest and dividends on investments and cash equivalents	<b>6,484</b>	6,652
	<b>\$95,939</b>	\$97,754
<b>INTEREST EXPENSE</b>		
Interest on deposits	<b>21,204</b>	23,055
Interest on borrowed funds	<b>5,049</b>	8,843
	<b>\$26,253</b>	\$31,898
<b>NET INTEREST INCOME</b>	<b>\$69,686</b>	\$65,856
<b>PROVISION FOR LOAN LOSSES</b>	<b>6,900</b>	1,525
<b>NET INTEREST INCOME AFTER LOAN LOSS PROVISION</b>	<b>\$62,786</b>	\$64,331
<b>NON INTEREST INCOME (LOSSES)</b>		
Customer service fees	<b>1,958</b>	2,289
Increase in cash surrender value of BOLI, net of split dollar expense	<b>81</b>	81
Realized net gains on sales and calls of securities	<b>5</b>	4
Mortgage banking income	<b>3,709</b>	1,324
Swap contract fees and other income	<b>2,629</b>	1,605
Other income	<b>126</b>	160
	<b>\$8,508</b>	\$5,463
<b>OPERATING EXPENSES</b>		
Salaries and employee benefits	<b>33,632</b>	31,616
Directory & professional service fees	<b>3,199</b>	2,930
Occupancy and equipment expenses	<b>3,905</b>	3,758
Data processing expenses	<b>4,432</b>	3,821
Marketing & charitable contribution expenses	<b>2,584</b>	2,483
FDIC and state insurance assessments	<b>1,701</b>	527
OREO and foreclosure and losses, net	<b>103</b>	42
General and administrative expenses	<b>2,388</b>	2,731
	<b>\$51,944</b>	\$47,908
<b>INCOME BEFORE TAXES</b>	<b>19,350</b>	21,886
<b>INCOME TAXES</b>	<b>5,279</b>	5,885
<b>Net income</b>	<b>\$14,071</b>	\$16,001

## BOARD OF DIRECTORS



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*Retired Executive*  
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**Arthur Howe**  
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*Director of*  
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*Operating Partner*  
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*President*  
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**Mark Whalen**  
*Retired CEO*  
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*Founder & CEO*  
ORAM Corporate  
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*President & CEO*  
Riverside  
Community Care

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Services Commonwealth  
Real Estate

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Bridgewater State  
University

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Provider Insurance  
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**William Day**  
*Retired Executive*  
Needham Bank

**Susan Elliott**  
*Retired Executive*  
*Vice President*  
Federal Home Loan  
Bank of Boston

**Seana Gaherin**  
*Owner*  
Dunn Gaherin Inc.

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*VP, Corporate Counsel*  
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*Deputy Executive*  
*Vice Chancellor*  
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**Arthur Howe**  
*President*  
Howe Associates/  
Marketing Design

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**Christopher Lynch**  
*President*  
Marshall Industries

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Hynes Communication

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*Chairman of the Board*  
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Embroidery

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*Director of Advancement*  
Hale Reservation

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*Managing Partner*  
Crestwood Advisors

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*Owner*  
The Incentive Group

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*Operating Partner*  
One Rock Capital  
Partners

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*President*  
Quincy & Co.

**Edward Salmon**  
Race Rock Capital

**Mark Whalen**  
*Retired CEO*  
Needham Bank

**Janelle Woods-McNish**  
*Managing Director,*  
*Community Impact*  
Trustees of Reservations

## OUR BRANCHES



### **ASHLAND**

41 Front Street  
Ashland, MA 01721



### **DEDHAM**

402 Washington Street  
Dedham, MA 02026



### **DOVER**

60 Centre Street  
Dover, MA 02030



### **MEDFIELD**

520 Main Street  
Medfield, MA 02052



### **MILLIS**

857 Main Street  
Millis, MA 02054



### **MISSION HILL**

1457 Tremont Street  
Boston, MA 02120



### **NATICK**

17 West Central Street  
Natick, MA 01760



### **NEEDHAM**

1063 Great Plain Avenue  
Needham, MA 02492



### **WELLESLEY**

458 Washington Street  
Wellesley, MA 02482



### **WESTWOOD**

341 Washington Street  
Westwood, MA 02090

