

# Committed to Excellence

*for our clients and communities*

# To the Stakeholders of Charlesbridge, MHC, Dedham Savings, and South Shore Bank



It is remarkable to reflect on the two years that have elapsed since the announcement of the affiliation between Dedham Savings and South Shore Bank, which resulted in the merger of our respective holding companies and the creation of a \$4.6 billion organization. This took place during a challenging period for the banking industry marked by the failures of three major national banks, and an inverted interest rate curve, which reduced net interest income, our primary source of revenue. The affiliation became effective on January 1, 2024, and since then all efforts have been directed to advancing our common vision of establishing the premier and most innovative multi-bank mutual holding company in Massachusetts.

At the outset, both institutions recognized this presented a significant opportunity to deploy capital in ways we could not independently. We will continue to strategically manage investments, retain talented employees and valued clients, as well as attract new clients and grow business from existing relationships. Additionally, our combined size enables us to substantially enhance our lending capabilities and fund larger loans within our unified banking enterprise.

At the holding company level, our fundamental operational objectives have centered on building an organization that provides robust support and oversight to our two successful community banks. Given the rapidly evolving landscape of technology and client needs, Charlesbridge is positioned to deliver this support through forward-thinking and experienced leadership. Our

decisions and initiatives are guided by the five core values that have been instrumental in the success of both banks:

1. **Mutuality**
2. **Accountability**
3. **Innovation**
4. **Quality**
5. **Collaboration**

Reflecting on our first year of the affiliation, we are proud to report significant accomplishments at the holding company level throughout 2024. Key operational, support and oversight functions have been either established or effectively combined, including:

- Consolidation of Enterprise Risk Management at the holding company, which encompasses oversight of the banks' audit departments, compliance programs, Community Reinvestment Act (CRA) initiatives, information security, BSA/AML compliance, regulatory examinations, and other essential functions. Preliminary due diligence for a new Governance Risk and Compliance (GRC) solution was completed in 2024, with implementation ongoing.
- Integration of the Information Technology team as employees of Charlesbridge, responsible for supporting both banks, which included the integration of many of the supporting processes and technologies.
- Consolidation of Human Resources at the holding company, which included a payroll systems conversion and migration to a single provider for all employees' health and retirement benefits.
- Consolidation of the residential mortgage origination function at Dedham Savings, along with the development of a loan sale program to provide South Shore Bank with quality portfolio loans.
- Establishment of four standing committees of the holding company (Audit-Risk, Nominating and Governance, Technology, and Compensation) which now meet quarterly.
- Management of all facilities and physical security is now under leadership at the holding company.

- Successful recruitment of a Chief Deposit Officer, Director of Product Management, Debit Card Services Manager, and a Director of Treasury Management. These are new positions that will support both banks and focus on deposit gathering, revenue generation, and enhanced Treasury Management services.

In addition to these accomplishments, a critical initiative underway, set for completion in 2025, involves the conversion to a core operating system that will support both banks. Following a comprehensive due diligence process in 2024 led by management and informed by industry consultants, we selected FIS, Dedham Savings' current core provider, as the core platform for both banks. The conversion for South Shore Bank clients to FIS will occur in July 2025. This undertaking is essential, and upon its completion, it is anticipated to unleash significant opportunities for efficiency. We at Charlesbridge, MHC, along with Dedham Savings and South Shore Bank, look forward to successfully navigating this pivotal event and the benefits it will yield for our organization and bank clients.

In conclusion, we want to express our gratitude to our dedicated employees, loyal clients, engaged Corporators, and supportive Trustees who collectively share our vision for Charlesbridge. We also want to acknowledge three exceptional Board members who will retire effective as of the March 2025 annual meeting: Kevin Hampe, Len Bicknell and David O'Brien. Their support for our vision has been invaluable.

With much appreciation,

A handwritten signature in black ink that reads "Peter G. Brown".

Peter G. Brown  
Chairman of the Board and CEO

A handwritten signature in black ink that reads "J.M. Dunphy".

James M. Dunphy  
President

# Charlesbridge, MHC Financial Review 2024

On January 1, 2024, South Shore Bank's Mutual Holding Company (MHC) was acquired by Dedham Savings Mutual Holding Company (MHC and Company), which later in the year was renamed Charlesbridge, MHC. Under the ownership of Charlesbridge, MHC, the two banks continue to operate separately, as was done prior to the MHC merger (referred to elsewhere as the affiliation), each bank with their unique name, brand and financial products and services. Since January 1, the combined entity has worked diligently to identify and pursue operating synergies, largely from merging back-office support functions at the MHC and by leveraging the much larger size of the combined entity to negotiate better contract terms, enter new business lines, and attract talented personnel.

While the MHC for Dedham Savings was identified as the legal acquirer, the MHC of South Shore Bank was the acquirer for accounting purposes. Despite the fact that neither MHC paid money to, nor received money from, the other MHC in this merger of equals, accounting rules require that such transactions are treated as if money did change hands. This requires creating Day 1 accounting entries, largely to adjust book values to fair values for assets acquired and liabilities assumed. Initially these entries result in an upfront reduction in consolidated capital. However, over time these accounting adjustments on a net basis will accrete into earnings and in large part replenish the Day 1 capital hit. With that said, regulatory capital levels at Day 1 and since continue to comfortably exceed regulatory minimums.

As of December 31, 2024, consolidated total assets of Charlesbridge, MHC reached \$4.6 billion on the balance sheet. Growth was largely driven by increased portfolio loan balances with funding coming from non-brokered deposits. Investment fair values improved during the year, especially within the equity portfolio as stock markets experienced healthy returns throughout the year. Short-term interest rates, specifically the federal funds rate, peaked from mid-2023 through much of 2024 before moving lower during the latter part of the year. This slowed the escalation of funding costs and the disintermediation of deposits to nonbank competitors that was prevalent coming out of 2023.

Consolidated earnings for 2024 reached \$24.1 million, which we consider a good result given the many headwinds faced. First was the interest-rate environment. Interest rates were at or near recent highs for much of the year, and the yield curve remained inverted through much of the year. This has put downward pressure on net interest income since 2022. The Company also incurred substantial affiliation-related contract negotiation and termination costs in 2024. We expect similar costs to be far less in 2025. Overall, both banks are more optimistic about earnings for 2025 than they were heading into 2024 because of the improved interest-rate environment.



# \$4.6

## BILLION

assets combined under holding company and affiliate banks

# 384

## YEARS

combined community banking experience

# 28

## LOCATIONS

including Banking Centers, Lending & Wealth Management offices, and headquarters + full-service digital offerings

# 459

## COLLEAGUES

sharing a community bank mission

# 64,316

## CLIENTS

served across Massachusetts

# Leadership



**Peter Brown**  
Chief Executive Officer &  
Chairman of the Board,  
Charlesbridge  
Chief Executive Officer,  
Dedham Savings



**Jim Dunphy**  
President, Charlesbridge  
Chief Executive Officer,  
South Shore Bank



**Victoria Graves**  
Chief Information Officer



**John Huether**  
Chief Risk Officer



**Mark Ingalls**  
Chief Financial Officer



**Victoria Kane**  
Chief Human  
Resources Officer



**Dan Picha**  
Chief Banking Operations Officer



**Edward Seksay**  
General Counsel

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*Here for the*  
**JOURNEY**  
*and all of your banking needs*

## FROM THE PRESIDENT

# To Our Clients and Friends of Dedham Savings,

I am pleased to present the 2024 Annual Report for Dedham Savings, a subsidiary of the multi-bank mutual holding company, Charlesbridge, MHC.

The past year was marked by the successful completion of our affiliation with South Shore Bank, which was announced in March 2023 and became effective January 1, 2024. This affiliation resulted from the merger of South Shore Bank's holding company into Dedham Savings' holding company, previously named 1831 Bancorp, MHC but renamed Charlesbridge, MHC to reflect a new brand and new beginning for the combined organization.

In terms of financial performance and accomplishments for Dedham Savings, we had hoped 2024 would be a rebound year for the Bank and regional banking industry. However, as was the case in 2023, the persistently inverted yield curve had a significant negative impact on the Bank's net interest income. The Federal Reserve provided some interest-rate relief late in the year through three rate cuts, the first such cuts in four years. Although these cuts were modest, they led to much-needed improvements in margin income by year-end. With the substantial one-time merger-related expenses behind us, I am hopeful Bank income will benefit from an improved earnings environment in 2025.

Despite the challenging environment for earnings, the Bank was profitable in 2024 and reached record-high capital levels. Key highlights for the year include:

- A \$150 million (6.4%) increase in total assets, bringing the year-end total to \$2.482 billion. This was strong, though below last year's growth of \$232.7 million (11.1%).
- Net income of \$10.6 million generated a Return on Assets (ROA) of 0.44%, compared to last year's net income of \$14.2 million and ROA of 0.64%. 2024 results were positively affected by \$9.4 million in pre-tax net unrealized gains in the Bank's equity portfolio.
- Operating income of \$3.2 million in 2024 was well below the \$12.2 million achieved in 2023. This was primarily due to the effect of the inverted yield curve on deposit and wholesale funding costs, and approximately \$4 million in one-time expenses related to the affiliation with South Shore Bank.
- The prolonged inverted rate curve continued to adversely affect the Net Interest Margin (NIM), which finished 2024 at 2.36%, down from 2.60% in 2023. A significant factor



**Peter G. Brown**  
President and Chief Executive Officer

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## EBENEZER BURGESS 1831 PRESIDENT'S AWARD



Since 2012, Dedham Savings has bestowed the Ebenezer Burgess 1831 President's Award upon an employee who embodies the Bank's values and culture. This year marks the 13-year anniversary of the award, which is named after the Bank's founding President, to recognize an employee with outstanding job performance, volunteerism, camaraderie, and who "goes above and beyond." Ultimately, the right individual invariably rises to the top of the list of worthy candidates

and that exceptional and well-respected employee is chosen.

The winner of the 2024 Ebenezer Burgess 1831 President's Award is Fouad Saba, Deposit Operations Administrative Staff Director.

Fouad began working at Dedham Savings part-time during his high school years and in 2022, accepted the full-time position of Deposit Operations Systems Assistant Manager. Due to his demonstrated motivation, commitment, and

determination, he has taken on roles of increasing responsibility and now serves as Administrative Staff Director. Throughout his time at the Bank, he has shown exemplary leadership, responsibility, and effectiveness within his division and across the organization, all while maintaining an approachable demeanor and a willingness to assist others. He has played a key role in executing numerous initiatives, collaborating closely with division managers and other departments to achieve success. Fouad is a

contributing to the decline in NIM was the Bank's reliance on wholesale funding, which totaled \$470 million at year-end. This was comprised of \$111 million in brokered deposits and \$359 million in FHLB borrowings.

- Total deposits, excluding brokered deposits, grew \$136 million (8.6%), which compares favorably to last year's growth of \$28 million (1.8%).
- The loan portfolio increased \$112 million (6.1%) ending the year at \$1.925 billion, net of Allowance for Credit Losses.
- Dedham Savings closed \$495 million in new money loans in 2024.
- Asset quality metrics were adversely affected by two non-performing assets related to one borrowing relationship that totaled \$15.8 million.
- Total Surplus increased \$15.5 million, rising from \$244.9 million to \$260.4 million, resulting in a capital ratio of 10.49% as of December 31, 2024.

Further financial details can be found in the Financial Review section of this report.

Despite the decline in operating earnings, we achieved numerous other accomplishments, including maintaining discipline in operating expenses, strong loan and deposit growth, positive regulatory exam outcomes, recruitment of key personnel, exemplary audit results, timely introduction of new and upgraded

products and services, and a continued commitment to providing the highest levels of client service.

**“Looking ahead to 2025, our primary goals remain largely the same as last year: to grow our consumer and commercial deposit base, reduce reliance on wholesale funding, and leverage operating efficiencies through our affiliation with South Shore Bank.”**

Looking ahead to 2025, our primary goals remain largely the same as last year: to grow our consumer and commercial deposit base, reduce reliance on wholesale funding, and leverage operating efficiencies through our affiliation with South Shore Bank. This process is ongoing, but we have made significant strides as various back-office support and oversight functions, which include accounting-finance, audit-risk, facilities, human resources, information technology, deposit operations and residential lending now operate at the holding company level. The positive results from these initiatives are evident through projected cost savings and

consistent quality levels of support provided to client-facing employees, ultimately translating to a positive banking experience for clients.

In closing, I would like to acknowledge the retirement of three long-serving Bank directors, Milton Benjamin, Kevin Hampe, and Chuck Spiegel, who have collectively dedicated 107 years of service to the Bank. In addition to his role on the Bank board, Milton contributed to the CRA, DEI, and Compensation Committees. Chuck served as the Clerk of the Board, as an Audit Committee member, and as an alternate member of the Executive Committee. Kevin served as a long-time member of the Executive Committee and Chair of the Compensation Committee. Kevin also served as the first Chair of the Charlesbridge Compensation Committee. We thank Milton, Kevin, and Chuck for their many years of dedicated service. Their professional expertise, market knowledge, and leadership will be greatly missed.

Thank you for your continued support of Dedham Savings as we embark on this next chapter of our journey.



**Peter G Brown**  
President and Chief Executive Officer



dedicated team player, consistently recognized for his ability to work seamlessly across departments and for his proactive attitude. He is resourceful, present and open to sharing his expertise. He has a strong commitment to his work and ensures deadlines are met, communications are clear, and issues are resolved. He is also an active participant in the Bank's many community events, including the annual Alzheimer's Walk, the Cystic Fibrosis Fundraiser, and Flag Day.

Congratulations to Fouad Saba for being chosen for this honor and rewarded for your dedication!

Past recipients of the Ebenezer Burgess 1831 President's Award include: Jose Camacho, Jaclyn Tilks, Valleri Lovely, Shara Colantuoni, Paul Pelletier, Deleila Mouawad, Lori Favreau, Michael Brennan, Jackie Johnson, Jillian Morley and Gerry McEachern.

EMPLOYEES

215

FULL SERVICE BRANCHES

9

# Holding Company News



*Peter Brown, President & CEO of Dedham Savings and CEO of Charlesbridge, joins Jim Dunphy, President & CEO of South Shore Bank and President of Charlesbridge, in welcoming employees to the 1st dual-bank employee gathering.*

In late 2022, Dedham Savings announced that it was merging its mutual holding company (MHC) with that of South Shore Bank, and that each bank would operate independently under the one holding company. The banks are of nearly identical asset size with very little geographical overlap. The ability to come together in this way creates a tremendous opportunity to deploy capital in more ways than could be done independently, enables the banks to be strategic about investments, and to retain great employees while continuing to serve a growing client base. Under one holding company, the banks have significantly increased lending capabilities, and capacity to make larger loans within the combined banking enterprise.

During 2023, a great deal of behind-the-scenes work took place to obtain required board and regulatory approvals. And, effective January 1, 2024, Dedham Savings and South Shore Bank received state and federal approvals to merge their individual MHCs into one. Under the combined MHC – Charlesbridge – both Dedham Savings and South Shore Bank continue to operate as separately branded banks.

Charlesbridge, with combined assets of almost \$4.6 billion and capital exceeding \$400 million, is in a very strong position to serve all clients, communities, and employees well into the future. This partnership positions both banks well for the future to grow and deliver products and services clients need, in the local way they expect, for many years to come. Each bank values its heritage as a mutual bank, and will continue to operate that way.

## DEDHAM SAVINGS BUSINESS LINES

As a bank that's been at the heart of our community since 1831, Dedham Savings provides the highest level of personalized attention, sophisticated banking products, and leading-edge digital banking and cash management services. We're a great alternative to the mega banks – we're local and independent, and we understand the needs of businesses and industries in our communities.



### COMMERCIAL LENDING

- Local decision making and in-depth knowledge of our local markets
- Commercial real estate and business loans, small business lending, working capital lines of credit and equipment loans
- Lending options to build, improve, expand, refinance or purchase commercial real estate, cannabis companies, condo associations, residential or income-producing properties



### BUSINESS BANKING

- Dedicated representatives to assist businesses in many industries
- Robust cash management services allowing businesses to access accounts anytime, and effectively collect and disburse funds
- Operating accounts, landlord rent and deposit collection, cannabis banking, IOLTAs, municipal and non-profit accounts



### CONSUMER BANKING

- Many 24/7 digital banking services allowing banking anytime from anywhere, mobile access to credit history and score, plus trained Digital Ambassadors at all locations to assist customers with their digital/mobile banking needs
- An array of banking options for managing and saving money
- Accounts that include free ATM access at any bank's ATM



### MORTGAGE LENDING

- Fixed- and adjustable-rate options, jumbo mortgages, first-time homebuyer loans, refinance and construction loans
- Many down payment assistance programs and special options for first-time homebuyers
- Home equity loans and lines of credit, and home improvement loans



## MULTI-BANK PROJECT

Petruzzello Properties broke ground on The Block at 22 Everett Street in Westwood, MA in September 2024, funded jointly by Dedham Savings and South Shore Bank. This project represents the first jointly funded project since the banks' affiliation was announced; the affiliation has notably increased the banks' lending capabilities within the combined entity including the funding required for this project. This multi-unit mixed-use development will include 160 residential units, of which twenty-four units will be affordable housing units, 12,000 square feet of commercial/retail space as well as walking trails, sports courts, and outdoor gathering spaces. The Westwood Select Board unanimously approved the town's first project to be submitted to the state for certification under a housing production plan designed to comply with the MBTA Communities Act.



# INVESTING IN NEEDHAM

For nearly 200 years, we've been dedicated to helping our clients and communities, like Needham, thrive. Whether that's by providing you with a modern branch that's easier to visit or peace of mind that your money is fully insured with us up to any amount (thanks to our combined FDIC and DIF insurance coverage), we're here for your journey.



## NEEDHAM CENTER

During 2024, we completed a major renovation of our Needham Center office. Clients have shared with us how much they like the look and feel of this updated banking center. The new floor plan features lots of light, with glass walls creating an open and airy space and a roomy client waiting area offering comfort and convenience. We've also created additional office

space to serve our growing client base. With sparkling new floors, walls, and furniture, the office feels brand new!

In the fall, we hosted a Renovation Celebration and invited clients and the public to stop by to check out the updated space, enjoy good food and company, and take advantage of product specials just for this event.



## NEEDHAM HEIGHTS COMING 2025!

In 2025, Dedham Savings will be opening its newest location in Needham Heights at 695 Highland Avenue, right across from the fire station. The existing building will be thoroughly renovated inside and out. With exterior resurfacing and a new arched façade, the building will be transformed on the outside, including new glass entry wall and doors, a repaved parking area and fresh landscaping. This new location will also include a drive-up teller window and a drive-up ATM, as well as an exterior secure night drop box for businesses.

Following a complete interior renovation, the refreshed space will include open and airy glass walls on offices, multiple teller pod stations, a conference room, and client waiting area, with modern décor throughout. The space will also include a convenient coin counting machine. Renovations are anticipated to conclude in fall 2025.

Situated not far from downtown Needham, and just off Route 95, this new Needham Heights location, with its convenient drive-up window and drive-up ATM, should provide added convenience to our growing client base in this market. We're excited about the future and this continued investment in the Town of Needham.



**CONSOLIDATED BALANCE SHEETS**

December 31, 2024 and 2023 (Dollars in thousands)

| <b>ASSETS</b>   | <b>2024</b>         | <b>2023</b>         |
|---|---------------------|---------------------|
| Cash and due from banks   | \$ 13,673           | \$ 12,134           |
| Short-term investments  | 4,290               | 5,872               |
| <b>Total cash and cash equivalents</b>  | <b>17,963</b>       | <b>18,006</b>       |
| Marketable equity securities, at fair value                                       | 64,305              | 53,025              |
| Securities available for sale, at fair value                                      | 373,076             | 354,416             |
| Federal Home Loan Bank stock, at cost   | 13,292              | 12,175              |
| Other investments   | 3,310               | 3,103               |
| Loans, net of allowance for credit losses of \$11,552 in 2024 and \$9,555 in 2023 | 1,937,411           | 1,825,838           |
| Premises and equipment, net   | 6,865               | 6,286               |
| Accrued interest receivable   | 9,719               | 9,033               |
| Bank-owned life insurance   | 27,167              | 26,634              |
| Foreclosed real estate  | 5,808               | 5,400               |
| Net deferred tax asset  | (129)               | 4,474               |
| Other assets  | 22,290              | 13,231              |
| <b>Total assets</b>   | <b>\$ 2,481,077</b> | <b>\$ 2,331,621</b> |

| <b>LIABILITIES</b>                     |                     |                     |
|--|---------------------|---------------------|
| Deposits                               | \$ 1,829,025        | \$ 1,771,019        |
| Borrowings                             | 358,680             | 283,061             |
| Mortgagors' escrow accounts            | 3,351               | 3,545               |
| Accrued expenses and other liabilities | 29,661              | 29,378              |
| <b>Total liabilities</b>               | <b>\$ 2,220,709</b> | <b>\$ 2,087,003</b> |

| <b>SURPLUS</b>                       |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Undivided profits                    | \$ 268,902        | \$ 260,766        |
| Accumulated other comprehensive loss | (8,434)           | (16,148)          |
| <b>Total surplus</b>                 | <b>\$ 260,368</b> | <b>\$ 244,618</b> |

|                                      |                     |                     |
|--------------------------------------|---------------------|---------------------|
| <b>Total liabilities and surplus</b> | <b>\$ 2,481,077</b> | <b>\$ 2,331,621</b> |
|--------------------------------------|---------------------|---------------------|

**TOTAL ASSETS****\$2.5****BILLION****TOTAL DEPOSITS****\$1.8****BILLION****TOTAL LOANS****\$1.9****BILLION**

## CONSOLIDATED STATEMENTS OF NET INCOME

Years Ended December 31, 2024 and 2023 (Dollars in thousands)

| <b>INTEREST AND DIVIDEND INCOME:</b>                          |                   |                  |
|---|-------------------|------------------|
|   | <b>2024</b>       | <b>2023</b>      |
| Loans, including fees   | \$ 97,807         | \$ 85,492        |
| Securities  | 15,474            | 13,410           |
| Short-term investments  | 175               | 100              |
| <b>Total interest and dividend income</b>                     | <b>\$ 113,456</b> | <b>\$ 99,002</b> |
| <b>INTEREST EXPENSE:</b>                                      |                   |                  |
| Deposits  | \$ 46,556         | \$ 29,592        |
| Borrowings  | 11,555            | 12,836           |
| <b>Total interest expense</b>                                 | <b>\$ 58,111</b>  | <b>\$ 42,428</b> |
| Net interest income   | \$ 55,345         | \$ 56,524        |
| Provision for credit losses                                   | 2,101             | 1,475            |
| <b>Net interest income, after provision for credit losses</b> | <b>\$ 53,244</b>  | <b>\$ 55,099</b> |
| <b>OTHER INCOME (LOSS):</b>                                   |                   |                  |
| Customer service fees   | \$ 3,064          | \$ 2,759         |
| Income from mortgage banking activities, net                  | 825               | 524              |
| Unrealized gain (loss) on marketable equity securities, net   | 9,423             | 6,181            |
| Gain (loss) on sales of securities, net                       | (164)             | (223)            |
| Income (loss) from bank-owned life insurance                  | 532               | 568              |
| Income from other investments                                 | 143               | 353              |
| Miscellaneous   | 454               | 486              |
| <b>Total other income (loss)</b>                              | <b>\$ 14,277</b>  | <b>\$ 10,948</b> |
| <b>OPERATING EXPENSES:</b>                                    |                   |                  |
| Salaries and employee benefits                                | \$ 30,313         | \$ 28,493        |
| Occupancy and equipment                                       | 4,764             | 4,520            |
| Data processing   | 7,110             | 4,245            |
| Professional services   | 4,836             | 3,814            |
| FDIC insurance assessment                                     | 1,387             | 1,223            |
| Marketing and advertising                                     | 1,571             | 1,483            |
| Charitable donations  | 435               | 416              |
| Other operating   | 4,609             | 3,700            |
| <b>Total operating expenses</b>                               | <b>\$ 55,025</b>  | <b>\$ 47,894</b> |
| Income before income taxes                                    | \$ 12,496         | \$ 18,153        |
| Provision for income taxes                                    | 1,936             | 3,941            |
| <b>Net income</b>   | <b>\$ 10,560</b>  | <b>\$ 14,212</b> |

Last year's report noted that March 2022 marked the end of the era of record low interest rates, triggered by the COVID pandemic, and the start of the current era of much higher interest rates. From March 2022 through July 2023, the Fed increased the Federal Funds Rate 525 basis points. In September 2024, the Fed reversed course on monetary policy

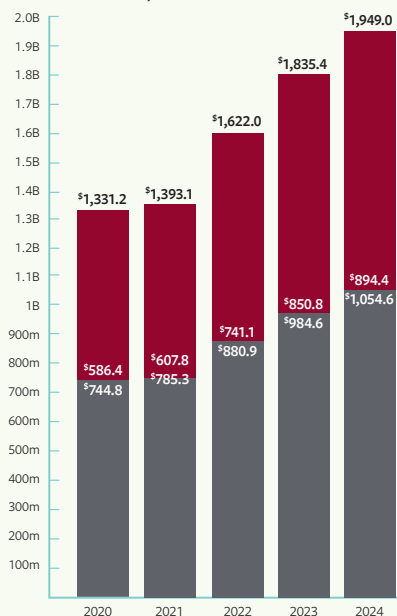
and by year-end had cut the Federal Funds Rate by 100 basis points. The recent rate cuts came late in the year, therefore provided little benefit to 2024 Bank earnings, which for the second consecutive year saw funding costs outpace the rise in loan and investment interest income. The good news is it appears net income experienced an inflection point in 2024 where the drivers of high funding costs, largely the sharp rise in interest rates and the resulting shift in depositor preference from low-cost checking and savings products to higher-cost money market accounts and CDs, has slowed considerably.

Net income for 2024 of \$10.6M was below the prior year's \$14.2M. The lower net income in 2023 was largely due to higher year-over-year costs resulting from the affiliation, and to a lesser extent a decline in net interest income due to the inverted yield curve. On the positive side, net unrealized gains of \$9.4M in 2024 exceeded the \$6.2M achieved in 2023. Loan loss provisioning was higher in 2024 than 2023 due to portfolio loan growth, a single troubled loan relationship currently in workout, and the Bank's adoption of the CECL (Current Expected Credit Loss) accounting model on January 1, 2023. Loan credit quality overall remains high, and loan charge-off levels were again minimal. While reliance on high-cost wholesale funding during 2024 remained elevated, utilization held steady year-over-year. Income from mortgage banking activities rebounded slightly in 2024 as loan rates declined at times during the year, and homebuyer demand remained high as the inventory of homes listed for sale remained tight.

In 2024, the balance sheet grew \$149.5M (6.4%) to end the year at \$2.481B. Balance sheet growth, driven by strong portfolio loan demand, was financed primarily by non-brokered deposits, which increased by \$135.8M, and secondarily by capital, which grew \$15.8M in 2024. Loan demand was better than expected given the relatively high interest-rate environment in place throughout the year. Loan production rose modestly in 2024 to \$495M from the \$477M originated in 2023. New loan production was sufficient to generate net loan growth of \$111.6M (6.1%) for the year, helped by exceptionally low loan prepayment rates as many borrowers continue to benefit from low-rate debt secured earlier in the decade. The growth in total surplus is largely due to Bank earnings and other comprehensive income adjustments caused by favorable interest rate movements that were offset in part by a dividend paid early in 2024 to the Bank's holding company. The fair value of the Bank's fixed-income and equity securities portfolios improved for the second straight year. While surplus experienced healthy growth in 2024, the growth rate was right in line with the Bank's year-over-year balance sheet growth, which caused total-surplus-to-assets ratio to hold steady at 10.49%, a level that remains above local peer and state averages.

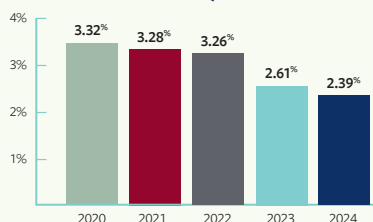
The outlook for net income heading into 2025 is much better than it was the prior two years. Deposit growth returned in 2024 after two years of minimal growth. The recent Fed rate cuts have caused 'slope' to return to the yield curve which is expected to cause funding costs to plateau or fall after years of sharp increases. Loan rates remain near recent highs which means portfolio loan yields should continue to improve. After two years of net interest income erosion, we are hoping that 2025 net interest income will return to its pre-2023 level. Affiliation-related costs are expected to decline in 2025 relative to 2024, which should keep year-over-year increase in overhead costs modest too.

**\$ LOANS**

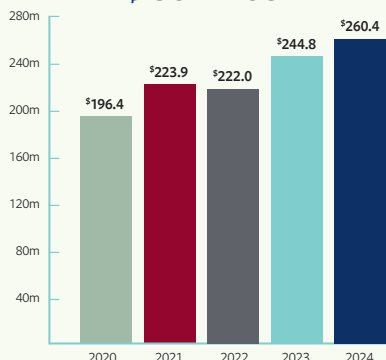


- **Total Consumer Loans**  
(Includes Residential, Home Equity and Consumer)
- **Total Commercial Loans**  
(Includes Real Estate, Construction and C&I)

**% NET INTEREST MARGIN TAXABLE EQUIVALENT**



**\$ SURPLUS**





## SUPPORTING LOCAL COMMUNITIES SINCE 1831

We are proud to support so many deserving community organizations and causes through donations, grants and employee volunteerism.



### Skating Club of Boston



Dedham Savings partnered with The Skating Club of Boston, the local organizing committee for the ISU World Figure Skating Championships® 2025, to sponsor the official Dedham Savings Sweeper tryouts for figure skating's most prestigious annual competition to be held in Boston in March 2025. Pictured here: the Dedham Savings team managed to squeeze into the Skating Club's life-size snowglobe; CEO Peter Brown is interviewed at the rink for local TV news; Dedham Savings' Marcella Musto and Lauren Patt were honored to serve as Sweeper Judges.



### DEDHAM TOWN GREEN

Dedham's Town Green project is well underway, and the vision for this long-awaited project is beginning to take shape. Dedham Savings proudly donated \$150,000 to support the construction of this public, open community green space to be enjoyed beginning in 2025 by residents and their families.

TOTAL GIVING IN 2024  
**\$860,490**

NUMBER OF HOURS  
 VOLUNTEERED IN 2024  
**2,656**

ORGANIZATIONS  
 SUPPORTED IN 2024

**461**

### DEDHAM FLAG DAY

Dedham Savings proudly sponsors and participates in the Town of Dedham's Annual Flag Day parade each year. This popular event promotes town spirit and community pride and Bank employees and their families are happy volunteers at this fun event.



### ALZHEIMER'S ASSOCIATION

Dedham Savings employees and their family members have long supported the Alzheimer's Association through participation in the Walk to End Alzheimer's annual national event. Team "Here for the Journey" joined teams across the country to raise awareness and support for Alzheimer's research.



### FINANCIAL WELLNESS EDUCATION

Our staff members regularly visit local schools and civic groups to help the next generation learn the benefits of saving and of developing sound financial habits. And, local organizations like Girl Scouts often stop by to tour one of our branches and get an inside look at the Bank.



## Diversity, Equity & Inclusion (DEI) at Dedham Savings

Dedham Savings strives to foster a culture where every voice is valued and where employees have a sense of belonging and connection with each other. We are dedicated to creating a work environment that understands, supports, and welcomes diverse perspectives and backgrounds. Together, we will create an inclusive and culturally competent and supportive environment where employees model behavior that enriches both Dedham Savings and the communities we support.

The columns in our logo stand for our nearly 200-year history, symbolizing our support and commitment to our employees, clients, and the community:

### OUR EMPLOYEES

Cultivating an environment where every voice is heard, differences are valued, powering a workplace that promotes personal and professional growth.

### OUR CLIENTS

Embedding the principles of DEI to design products and services that are relevant and accessible to all, deliver a client experience that resonates with everyone we serve.

### OUR COMMUNITY

Modeling inclusive practices and promoting cultural competence, to support and enrich the communities we serve by contributing to the well-being and prosperity of all where we live and work.

## EXECUTIVE MANAGEMENT



**Peter G Brown**  
President &  
Chief Executive Officer



**Mark C Ingalls**  
Executive Vice President  
Chief Financial Officer  
& Chief Operating Officer



**Victoria A Graves**  
Executive Vice President  
Chief Information Officer



**John R Huether**  
Executive Vice President  
Chief Risk Officer



**Victoria B Kane Esq.**  
Executive Vice President  
Chief Human  
Resources Officer



**Dan Picha**  
Executive Vice President  
Chief Banking Operations  
Officer



**Liz A Bissell**  
Executive Vice President  
Chief Marketing Officer



**Laura W Dorfman**  
Executive Vice President  
Residential &  
Consumer Lending



**Douglas R Shaw**  
Executive Vice President  
Senior Lending Officer

Accurate as of December 31, 2024

### DIRECTORS OF DEDHAM SAVINGS

Kevin F Hampe  
Charles T Spiegel  
John H Emmons Jr  
David S Beckwith  
Alexander K Leith  
Peter S Gregory  
Juanita Allen Kingsley  
Dean H Steeger  
Christine L Todd  
Milton J Benjamin Jr  
Peter G Brown  
James L Elcock  
Mark R Epker  
Gary Eeve  
John J Czyzewski  
Lora M Pellegrini Esq  
Jean M Joy  
James M Dunphy

### CLERK OF THE CORPORATION

Charles T Spiegel

### AUDIT-RISK COMMITTEE

John J Czyzewski  
Mark R Epker  
Gary Eeve  
Jean M Joy



## GOOGLE ★★★★★ 5-STAR REVIEW

*“I’ve been banking with Dedham Savings for years and I love the people. They’re always so helpful. It’s like a small-town bank with big bank perks. Thank you to the wonderful team!”*



## BANK MANAGEMENT

### ADMINISTRATION

**John H Emmons Jr**  
Vice President

**Robin Fay Gorman**  
Assistant Vice President  
Corporate Administrative  
Officer

### BRANCH MANAGEMENT

**Robert M Erasm**  
Senior Vice President,  
Director of Consumer  
Banking & Community  
Relations

**Heidi A White**  
Senior Vice President  
Branch Administrator  
Consumer Banking

**Anna Conte**  
Vice President  
Branch Manager

**Jacqueline L Johnson**  
Vice President  
Branch Manager

**Laura A Macs**  
Vice President  
Branch Manager

**Thomas R Benson**  
Assistant Vice President  
Branch Manager

**Lisa M Stanton**  
Assistant Vice President  
Branch Manager

**Mobashir S Ali**  
Officer  
Branch Manager

**Kim M Attaya**  
Officer  
Branch Manager

**Keisha B Shirley**  
Officer  
Branch Manager

### BUSINESS DEVELOPMENT

**Richard S Burke**  
Vice President  
Government  
& Not for Profit  
Banking

**Marcella Musto**  
Vice President  
Business Banking

**Christopher J Teachout**  
Vice President  
Business Banking

**Charles Toczylowski**  
Vice President  
Business Banking

**Kristin O'Brien**  
Assistant Vice President  
Business Banking

### COMMERCIAL LENDING

**Stephen Caputo**  
Senior Vice President  
Commercial Lender

**Martin F Connors III**  
Senior Vice President  
Commercial Lender

**Norman A Hayes III**  
Senior Vice President  
Commercial Real Estate  
Lender

**James R Horrigan**  
Senior Vice President  
Commercial Lender

**Anne V McBride**  
Senior Vice President  
Senior Credit Officer

**Alex Cavallini**  
Vice President  
Commercial Lender

**Jose L Camacho**  
Vice President  
Commercial Lender

**Gerald D Marcus**  
Vice President  
Commercial Real Estate  
Lender

**Joseph L McPhee**  
Vice President  
Commercial Real Estate  
Lender

**Frederick Murphy Jr**  
Vice President  
Commercial Real Estate  
Lender

**Scott D Richards**  
Assistant Vice President  
Commercial Lender

**Tessie M Wooten**  
Assistant Vice President  
Commercial Loan  
Production Officer

### DEPOSIT OPERATIONS

**Tonia S Reilly**  
Senior Vice President  
Director of Deposit Ops &  
Digital Delivery

**Laura J Hickson**  
Vice President  
BSA & Security Officer

**Gina Iantosca**  
Vice President  
Consumer Digital  
Applications Officer

**Kerry A Riggins**  
Vice President  
Digital Business Banking  
Application Manager

**Deleila Erasm**  
Assistant Vice President  
Consumer Digital Support  
Officer

**Steven LaPierre**  
Assistant Vice President  
Cash Management Officer

**Mary G Lussier**  
Assistant Vice President  
Digital Banking Data  
Reporter and App Manager

**Gina M Piotrowski**  
Assistant Vice President  
BSA & Security Officer

**Pina Reda**  
Assistant Vice President  
Quality Assurance Officer

**Fouad P Saba**  
Administrative Staff  
Director

### HUMAN RESOURCES/TRAINING

**Tracy M Marchand**  
Vice President  
Learning and Development  
Officer

**Kara E Simmons**  
HR Operations Officer

### INFORMATION TECHNOLOGY

**William A Kane Jr**  
Senior Vice President  
Chief Technology Officer

**Lisa Lynch**  
Senior Vice President  
Director of Product  
Management

**Joe J Lavigne**  
Vice President  
Infrastructure Manager

**Michael Murteira**  
Vice President  
Information Security  
Officer

**Shara L Colantuoni**  
Assistant Vice President  
Business Analyst

**Marc R Malefatto**  
Assistant Vice President  
Desktop Support Manager

### LOAN OPERATIONS

**Maria G Ingegneri**  
Senior Vice President  
Director of Loan  
Operations Application

**Barbara Gniado**  
Vice President  
Loan Operations  
Application Manager

**Cathy J Hamilton**  
Vice President  
Commercial Loan  
Operations Manager

**Susan L Read**  
Vice President  
Residential Loan  
Operations Manager

**Jillian D Morley**  
Commercial Loan  
Operations Officer

**Lindsay K Pereira**  
Residential Loan  
Operations Officer

### MARKETING

**Judith M Brazil**  
Vice President  
Senior Marketing Manager

**Kevin J Donovan**  
Marketing Data &  
Communication Officer

### PROJECT MANAGEMENT

**Tammy L Reposa**  
Assistant Vice President  
Project Manager

### RESIDENTIAL LENDING

**Tracy E Harvard**  
Senior Vice President  
Residential & Consumer  
Lending Manager

**Peter B Hughes**  
Senior Vice President  
Sales Manager

**Gaar E Talanian**  
Senior Vice President  
Sales Manager

**Diane M Hutchinson**  
First Vice President  
Residential Lending Systems  
& Product Manager

**Christopher R Gleason**  
Vice President  
Residential Loan Officer

**Holly E Lite**  
Vice President  
Secondary Market Manager

**Robert W Madden**  
Vice President  
CRA Loan Officer

**Josephine A Mustone**  
Vice President  
Residential & Consumer  
Loan Production Manager

**Elizabeth A Paolini**  
Vice President  
Residential Loan Officer

**Cynthia J Sullivan**  
Vice President  
Residential Loan Officer

**Kathleen DiFazio**  
Assistant Vice President  
Residential Lending  
Compliance Support  
Officer

**Avolon McDaniel**  
Assistant Vice President  
Loan Production Officer

**Kyle Lewis**  
Residential Loan Officer

### RISK MANAGEMENT

**Lisa M Johnson**  
Senior Vice President  
Director of Audit

**Beverly Somerville**  
Vice President  
CRA Officer

**Kimberley A Fruzzetti**  
Compliance Officer

## INVESTMENT, ASSET MANAGEMENT AND TRUST SERVICES

The Investment Center at Dedham Savings, available through Sorrento Pacific Financial, LLC, is committed to maintaining the highest standard of integrity and professionalism in our relationship with you, our client. We endeavor to know and understand your financial situation and provide you with only the highest quality information, services, and products to help you reach your goals.

**Michael Pugliese**  
Financial Advisor  
Sorrento Pacific Financial, LLC  
781.320.4805

Non-deposit investment products and services are offered through Sorrento Pacific Financial, LLA (SPF), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through SPF are not FDIC or otherwise federally insured, are not a deposit or guarantee of the bank, and may involve investment risk including possible loss of principal. Investment Representatives are registered through SPF. The Bank has contracted with SPF to make non-deposit investment products and services available to bank customers.

### BRANCH LOCATIONS

#### MAIN OFFICE

55 Elm Street  
Dedham, MA 02026  
781.329.6700

#### NEEDHAM CENTER

1077 Great Plain Avenue  
Needham, MA 02492  
781.449.0002

#### SHARON

45 South Main Street  
Sharon, MA 02067  
781.793.9360

#### WALPOLE

1428 Main Street  
Walpole, MA 02081  
508.668.4600

#### DEDHAM SQUARE

420 Washington Street  
Dedham, MA 02026  
781.320.1410

#### NEEDHAM HEIGHTS (COMING 2025)

695 Highland Avenue  
Needham, MA 02492

#### SOUTH BOSTON

636 East Broadway  
South Boston, MA 02127  
617.268.2088

#### WESTWOOD

673 High Street  
Westwood, MA 02090  
781.320.1416

#### EAST DEDHAM

260 Bussey Street  
Dedham, MA 02026  
781.320.1412

#### NORWOOD

185 Central Street  
Norwood, MA 02062  
781.762.8500

### LOAN CENTERS

#### DEDHAM LOAN CENTER

888 Washington Street  
Dedham, MA 02026

#### SOUTH BOSTON LOAN CENTER

472 West Broadway  
Boston, MA 02127

### SENIOR COMMUNITY BRANCHES

#### BEDFORD

Carleton-Willard  
100 Old Billerica Road  
Bedford, MA 01730

#### CANTON

Orchard Cove  
One Del Pond Drive  
Canton, MA 02201

#### DEDHAM

NewBridge  
on the Charles  
5000 Great Meadows Road  
Dedham, MA 02026

#### WALPOLE

New Pond Village  
180 Main Street  
Walpole, MA 02081

## FULL DEPOSIT INSURANCE

Your deposits at Dedham Savings are always insured in full up to any amount with our combined FDIC & DIF insurance coverage.





# Sharing Success

ANNUAL REPORT 2024



**SOUTH SHORE  
BANK**



**James M. Dunphy**  
*President and Chief Executive Officer*

## FROM THE PRESIDENT

South Shore Bank has established itself as a leading mutual bank, addressing the diverse needs of consumers and businesses within our region. Throughout our development, we have consistently upheld our mission to support our employees, clients, and communities in achieving mutual success. This commitment is intrinsic to our identity today and aligns with our aspirations for the future. It is fundamental to who we are.

If you are reading this letter, it signifies that you have either contributed to shaping who we are today or are contemplating how you might do so in the future. For this, we extend our sincere gratitude.

As we entered 2024, we encountered several challenges, including the pressures of an inverted yield curve, a nearly 500 basis point shock in rates within a one-year time frame, ongoing margin compression, and rising costs. Despite these obstacles, we remained focused, initiated strategic moves, and progressed towards an affiliation with Dedham Savings under a combined mutual holding company, Charlesbridge.

I am pleased to present the 2024 South Shore Bank Annual Report that highlights the hard work of our dedicated team and the support of our Board.

### FINANCIAL RESULTS

In 2024, South Shore Bank posted earnings of \$8.43 million or a 0.38% return on assets (ROA).

Total assets increased \$97 million, rising from \$2.15 billion to \$2.24 billion. Total deposits increased \$111 million or 6%; and loans increased \$102.6 million or 7%. Highlights of this growth come from the commercial real estate and condominium association segments, which increased 9% and 15%, respectively.

Our wealth management team exceeded \$266 million in assets under management, with growth of nearly \$35 million for the year.

### HIGHLIGHTS OF 2024

In January, we finalized the merger of our holding companies with Dedham Savings, presenting us with a remarkable opportunity to deploy capital in new ways that would not have been achievable independently. This merger allows us to be strategic about our investments, retain our valued employees, and continue serving the clients we have diligently attracted over the years. As a unified holding company, we have significantly enhanced our lending capabilities, enabling us to issue larger loans within our combined banking enterprise.

A shining example of this is Petruzzello Properties, a subsidiary of Supreme Development, who broke ground for their newest project, The Block at 22 Everett Street in Westwood. This project, adjacent to the commuter rail station, and Supreme

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# Pillar Award



The South Shore Bank Pillar Award is presented to an employee who best exemplifies our three brand pillars: We Nurture Valuable Connections; We Serve As A Knowledgeable Resource; We Act As A Positive Catalyst. The award is peer-nominated and decided on by a committee of Managers.

The 2024 award was presented to Kerri-Ann Moores, Senior Manager, Total

Rewards and Payroll, who is a member of the Bank's Human Resources Team and an 18-year veteran of South Shore Bank.

Kerri-Ann was recognized for her ability to create an environment of respect and trust, building relationships that benefit employees and ultimately, our clients. She serves as an essential partner and knowledgeable resource for her colleagues.

Development's most recently completed Islington Redevelopment Project, will help to address this need and will revitalize a former industrial site into a beautiful community in which to live, shop, and play.

The funding for projects such as this will ultimately result in new housing, enhanced transportation access, and significant positive impacts on many lives within our community. Additionally, we have financial liquidity and capacity to sustain support for viable initiatives such as this.

As an employer of choice in our region, we are proud of our high employee retention rates and the 51 promotions within our Bank over the past year. We have successfully recruited new talent, bringing fresh ideas to our operations and client-facing teams, which will continue to drive the Bank forward.

We have made significant investments in human capital including Information Technology, Fraud Prevention, Treasury Management and Operations and a new initiative into Private Banking. Educating clients remains a key priority as malicious entities persistently develop new techniques for phishing scams, cyber-attacks, and various methods to defraud consumers and businesses.

As a Mutual Bank, we believe success should be shared.

We partnered with over 120 organizations through volunteering, donations, and sponsorships. Many

of our colleagues actively serve on boards and committees, contributing to both community service and regional development. Employee engagement with our community partners is part of our DNA. This year our employees volunteered for more than 1,700 hours at non-profit and community organizations focused on food insecurity, housing and health, workforce development, youth sports, and arts and culture.

We are dedicated to building lasting client relationships, as evidenced in our high retention rates. We also see a steady inflow of new clients from both consumer and business sectors. Notably, many multi-generational families rely on us for their personal and business banking needs.

### STRATEGIC LOOK AHEAD

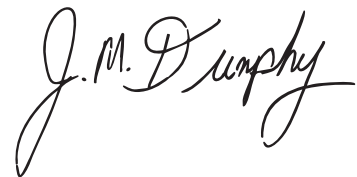
South Shore Bank is a well-capitalized mutual bank with a diverse client base, and we are well-positioned to prosper amidst external market dynamics. At South Shore Bank, all deposits are fully insured. Each depositor is insured by the Federal Deposit Insurance Corporation (FDIC) to at least \$250,000. All deposits above the FDIC insurance amount are insured by the Depositors Insurance Fund (DIF). DIF insurance is only available to savings banks within the Commonwealth of Massachusetts. As members of the DIF, we can assure our clients that their deposits are secure.

Our strategic plans include a significant investment in operational

infrastructure including an upgrade to our online and mobile banking platform. Providing consumer and business clients with tools and security protections to support their financial journeys is at the top of our priority list.

Our digital team aims to onboard clients to utilize these tools extensively. Banking in safe secure ways, including things like Positive Pay for our business clients is critical now more than ever.

As we look ahead to 2025, we anticipate several challenges, including margin compression, rising costs, and ongoing external pressures. Nevertheless, I am confident that South Shore Bank has the right personnel and management team to address these external factors effectively. I appreciate their unwavering commitment to the Bank's well-being. I am thankful for the trust and continued loyalty of our clients and community as well as the support of our Board.



**James M. Dunphy**  
*President and Chief Executive Officer*



What distinguishes Kerri-Ann, in addition to her strong work ethic and expertise, is her approach to her work. She embodies the brand values of South Shore Bank, consistently demonstrating a willingness to address inquiries or lead projects, always with a positive attitude and a sense of purpose.

EMPLOYEES

244

BANKING CENTERS

13

+2 STAND-ALONE  
FACE2FACE® LOCATIONS

# WHY MUTUALITY MATTERS

When you place your trust in a Mutual Bank, you gain its commitment to making a tangible impact within its community. Mutual Banks support local businesses, non-profits, and community organizations that are working to help our region thrive. This is what motivates Mutual Banks and constitutes our very purpose, to serve the best interests of our community.

South Shore Bank's purpose has been deeply rooted for more than 180 years. We believe the most valuable and enduring success is success that is shared with those around us. Together, we work to help our people, clients, and communities build shared success.

As a Mutual Bank, we can make prudent long-term decisions without being constrained by shareholder demands. Our local management is committed to addressing the needs of the community rather than prioritizing investor interests.

We have a responsibility to be a good partner to our clients, the people we employ throughout the South Shore, and the communities we serve.

## South Shore Bank Services

We get that everyone's banking needs are different. That's why we offer a variety of products and services to meet both individual and business needs. Our locally based team is here to help guide you toward your goals and make it convenient for you to do your banking from the comfort of your own home, your locally-based office, or wherever you may be.



### Commercial Lending

- Local senior management team who knows and understands the economic landscape and our community.
- Access to senior decision-makers.
- Hands-on, personalized client service with a committed team approach supporting your business.



### Business Banking

- Customized Treasury Solutions that fit individualized business needs, reduce administrative costs, and make banking more efficient.
- Fraud Prevention including Positive Pay and ACH filters and blocks.
- Sophisticated online and mobile banking with 24/7 access.
- Offering the best solution for merchant and payment services.



### Specialty Banking

- Government Banking
  - Customized solutions at a competitive interest rate to fulfill the needs of our Government Banking clients.
  - Products designed specifically for Government Banking clients.
  - Government Banking Treasury Services.
- Condominium Lending
  - Viable financing options for condominium communities.

- Condominium Loans with flexible terms up to 30 years based on scope of the project.
- Deposit products customized for Community Associations, including Checking and Money Market accounts and tools to help with the collection of monthly condominium fees.



### Consumer Banking

- Personalized service at convenient locations, extended hours via virtual FACE2FACE® services, and a local Client Information Center with Digital Banking Advisors.
- Online and mobile banking tools to keep your money with you wherever you go, so you can have convenient, secure access to your money, anywhere, anytime.
- A comprehensive range of banking solutions for saving, earning, and managing money.



### Mortgage Lending

Mortgage options are offered through an arrangement with our affiliate bank, Dedham Savings.

- Fixed- and adjustable-rate options, jumbo mortgages, first-time home buyer loans, and refinancing.
- Home equity loans and lines of credit and home improvement loans.
- Many down payment assistance programs and special options for first-time home buyers.





# Government Banking

As a Community Bank, we are dedicated to addressing the needs of municipalities and public entities that contribute significantly to enhancing our community. That's why we have established a specialized Government Banking Team focused on serving this important group. We provide secure, customized solutions with competitive interest rates for our Government Banking clients. Our comprehensive suite of products, including Treasury Services, is specifically tailored to address their needs. The Government Banking Team successfully onboarded 18 new municipal clients this year who are benefiting from our comprehensive suite of services, including Wires, ACH, RDC, Positive Pay, ZEscrow and Lockbox.

## FRAUD PREVENTION

The increasing prevalence of online fraud highlights the necessity for heightened vigilance as fraudsters continuously refine their tactics. South Shore Bank leverages its strong local presence and community connections to safeguard its clients. As a local bank, we are uniquely positioned to identify unusual patterns and respond with a personalized approach that only a community institution can provide. Our familiarity with our clients enables us to detect red flags more effectively and take swift action to secure their accounts.



South Shore Bank's fraud-prevention efforts encompass both personal and business accounts, providing services designed to address specific risks. The Bank's Deposit Operations team observes account activity meticulously to identify any indications of fraudulent transactions.

The Deposit Operations team serves as the first line of defense by analyzing data and identifying irregularities. Our deep understanding of our clients enables us to make timely decisions, thereby potentially preventing fraudulent activities.

For businesses, online threats can be particularly harmful, with fraudsters targeting company accounts in increasingly complex ways. South Shore Bank offers business clients additional fraud-prevention tools, including secure cash management services, Positive Pay, and enhanced monitoring. Businesses in the community depend on these services for local access to financial support,

## Meet Sam



I'm Sam your virtual assistant. Ask me for help.

Using generative, agentic and prescriptive AI to deliver compliant, secure answers to our clients' basic inquiries. Sam frees up our client services advisors, allowing them to engage in deeper, more valuable client interactions.

Sam understands individuals' financial preferences and conversational behaviors, offering human-like personalized interactions. Sam analyzes large volumes of data to respond to detailed inquiries with remarkable speed and precision.

Sam is available 24/7, enabling clients to receive answers to basic inquiries at any time.

trusted advice, and prompt responses when needed.



Education is an integral part of South Shore Bank's fraud-prevention strategy. The Bank frequently hosts workshops and events to inform clients about the latest scams and fraud-prevention techniques. Our intent is to help clients recognize scams before they fall victim to them. Through one-on-one meetings, webinars, or community events, the aim is for clients to be well-informed and able to protect themselves.

## SOUTH SHORE BANK STATEMENTS OF CONDITION

Favorable / (Unfavorable)

| ASSETS                       | DEC-24           | DEC-23           | (\$)           | (%)    |
|------------------------------|------------------|------------------|----------------|--------|
| Cash & due from banks        | \$ 7,482,232     | \$ 22,603,224    | \$ (5,120,992) | -22.7% |
| Interest-bearing deposits    | 79,898,793       | 68,683,290       | 11,215,503     | 16.3%  |
| <b>Investment securities</b> |                  |                  |                |        |
| UST, USGovt, Corp            | 97,313,716       | 91,158,915       | 6,154,800      | 6.8%   |
| Mortg backs/CMO etc.         | 390,502,845      | 379,123,075      | 11,379,769     | 3.0%   |
| Municipal Bonds              | 63,046,750       | 90,901,097       | (27,854,347)   | -30.6% |
| Equity Securities            | 20,979,724       | 21,710,024       | (730,300)      | -3.4%  |
| Unrealized gains/(losses)    | (36,420,333)     | (33,830,879)     | (2,589,455)    | 7.7%   |
|                              | 535,422,701      | 549,062,233      | (13,639,533)   | -2.5%  |
| <b>Loans</b>                 |                  |                  |                |        |
| Residential real estate      | 310,992,259      | 334,431,946      | (23,439,687)   | -7.0%  |
| Purchased Residential RE     | 19,535,350       | 10,332,421       | 9,202,929      | 89.1%  |
| Residential construction     | 3,573,764        | 3,073,597        | 500,167        | 16.3%  |
| Equity Lines                 | 29,465,170       | 28,836,256       | 628,915        | 2.2%   |
| Commercial real estate       | 813,469,548      | 747,575,124      | 65,894,424     | 8.8%   |
| Commercial Construction      | 79,319,525       | 43,454,296       | 35,865,229     | 82.5%  |
| Commercial & Industrial      | 289,129,531      | 274,454,825      | 14,674,706     | 5.3%   |
| Consumer loans               | 6,560,068        | 7,297,760        | (737,691)      | -10.1% |
|                              | 1,552,045,216    | 1,449,456,225    | 102,588,991    | 7.1%   |
| Allowance for credit losses  | 15,145,432       | 15,086,908       | 58,524         | 0.4%   |
|                              | 1,536,899,784    | 1,434,369,317    | 102,530,467    | 7.1%   |
| Goodwill                     | 6,658,963        | 6,658,963        | —              | 0.0%   |
| Other real estate owned      | —                | —                | —              | N/A    |
| Premises & equipment         | 13,600,430       | 14,563,487       | (963,056)      | -6.6%  |
| Other assets                 | 54,693,333       | 51,189,348       | 3,503,985      | 6.8%   |
|                              | \$ 2,244,656,236 | \$ 2,147,129,862 | \$ 97,526,374  | 4.5%   |

| <b>LIABILITIES &amp; CAPITAL</b> |                  |                  |                 |        |
|----------------------------------|------------------|------------------|-----------------|--------|
| <b>Deposits</b>                  |                  |                  |                 |        |
| Non-interest bearing             | \$ 428,062,713   | \$ 450,429,207   | \$ (22,366,494) | -5.0%  |
| NOW accounts                     | 102,580,378      | 107,290,151      | (4,709,773)     | -4.4%  |
| Money market acct's              | 617,975,369      | 581,548,898      | 36,426,471      | 6.3%   |
| Savings                          | 351,601,279      | 372,872,472      | (21,271,193)    | -5.7%  |
| Time                             | 481,597,702      | 358,095,655      | 123,502,046     | 34.5%  |
|                                  | 1,981,817,441    | 1,870,236,383    | 111,581,058     | 6.0%   |
| Borrowed funds                   | 30,104,671       | 55,615,082       | (25,510,410)    | -45.9% |
| Other liabilities                | 21,374,205       | 18,192,854       | 3,181,351       | 17.5%  |
|                                  | 2,033,296,317    | 1,944,044,319    | 89,251,998      | 4.6%   |
| <b>Capital</b>                   |                  |                  |                 |        |
| Retained earnings, beginning     | 228,663,278      | 213,247,100      | 15,416,179      | 7.2%   |
| Other income items               | 15,414           | 15,414           | —               | 0.0%   |
| Current retained earnings        | 8,432,824        | 15,416,179       | (6,983,355)     | -45.3% |
| Unrealized gains, net            | (25,751,597)     | (25,593,149)     | (158,448)       | 0.6%   |
|                                  | 211,359,919      | 203,085,543      | 8,274,376       | 4.1%   |
|                                  | \$ 2,244,656,236 | \$ 2,147,129,862 | \$ 97,526,374   | 4.5%   |

## SOUTH SHORE BANK STATEMENTS OF INCOME

Year-to-date

Favorable / (Unfavorable)

| INTEREST INCOME              | December 31, 2024 | Prior year 2023 | (\$)         | (%)    |
|------------------------------|-------------------|-----------------|--------------|--------|
| <b>Loans</b>                 |                   |                 |              |        |
| Residential real estate      | \$ 14,893,102     | \$ 13,403,989   | \$ 1,489,113 | 11.1%  |
| Residential construction     | 172,537           | 96,030          | 76,507       | 79.7%  |
| Home equity lines            | 2,418,799         | 2,215,961       | 202,839      | 9.2%   |
| Commercial real estate       | 39,205,179        | 34,965,374      | 4,239,806    | 12.1%  |
| Commercial construction      | 5,341,759         | 3,378,068       | 1,963,691    | 58.1%  |
| Commercial & industrial      | 13,726,896        | 11,634,101      | 2,092,795    | 18.0%  |
| Consumer loans               | 524,461           | 438,057         | 86,404       | 19.7%  |
|                              | 76,282,733        | 66,131,579      | 10,151,154   | 15.3%  |
| <b>Investment securities</b> |                   |                 |              |        |
| UST, USGovt, Corp            | 2,765,661         | 2,703,219       | 62,442       | 2.3%   |
| Mortg. backs                 | 15,887,348        | 14,079,683      | 1,807,665    | 12.8%  |
| Municipal bonds              | 1,699,079         | 2,188,269       | (489,190)    | -22.4% |
| Fed funds sold & short term  | 4,993,970         | 4,787,713       | 206,257      | 4.3%   |
| Equity securities            | 1,521,848         | 1,465,947       | 55,901       | 3.8%   |
|                              | 26,867,906        | 25,224,831      | 1,643,075    | 6.5%   |
|                              | 103,150,639       | 91,356,411      | 11,794,228   | 12.9%  |

| INTEREST EXPENSE                   |            |            |              |        |
|------------------------------------|------------|------------|--------------|--------|
| NOW accounts                       | 926,995    | 659,052    | (267,943)    | -40.7% |
| Money market accounts              | 20,116,621 | 16,910,480 | (3,206,141)  | -19.0% |
| Savings                            | 3,262,665  | 3,018,786  | (243,879)    | -8.1%  |
| Time                               | 19,855,646 | 10,372,397 | (9,483,250)  | -91.4% |
| Borrowed funds                     | 797,213    | 523,244    | (273,970)    | -52.4% |
|                                    | 44,959,141 | 31,483,959 | (13,475,182) | -42.8% |
| Net Interest Income                | 58,191,498 | 59,872,452 | (1,680,954)  | -2.8%  |
| Provision for credit losses        | 50,000     | —          | (50,000)     | N/A    |
| Net Int Inc after provision for LL | 58,141,498 | 59,872,452 | (1,730,954)  | -2.9%  |

| NON-INTEREST INCOME             |           |           |           |         |
|---------------------------------|-----------|-----------|-----------|---------|
| Service fees                    | 4,194,135 | 4,124,354 | 69,781    | 1.7%    |
| Insurance & NDIP sales          | 1,217,649 | 1,067,825 | 149,824   | 14.0%   |
| Gains/(losses) on sale of loans | 16,475    | 5,618     | 10,857    | 193.2%  |
| Other gains/(losses)            | (294,804) | 526,508   | (821,312) | -156.0% |
| Other income                    | 1,155,520 | 1,151,649 | 3,871     | 0.3%    |
|                                 | 6,288,975 | 6,875,954 | (586,979) | -8.5%   |

| OPERATING EXPENSES            |                     |                   |                    |               |
|-------------------------------|---------------------|-------------------|--------------------|---------------|
| Salaries and Benefits         | 30,651,145          | 28,034,994        | (2,616,151)        | -9.3%         |
| Occupancy & equipment         | 4,052,922           | 4,966,091         | 913,169            | 18.4%         |
| Data processing               | 7,802,274           | 6,309,480         | (1,492,794)        | -23.7%        |
| Other expenses                | 11,170,552          | 6,512,935         | (4,657,617)        | -71.5%        |
|                               | 53,676,892          | 45,823,500        | (7,853,393)        | -17.1%        |
| Net Income before taxes       | 10,753,581          | 20,924,907        | (10,171,326)       | -48.6%        |
| Income tax expense            | 2,320,757           | 5,508,728         | 3,187,971          | 57.9%         |
| <b>Net Income after taxes</b> | <b>\$ 8,432,824</b> | <b>15,416,179</b> | <b>(6,983,355)</b> | <b>-45.3%</b> |

# Financial Overview

South Shore Bank management evaluates the Bank's operating results and financial condition using measurements that include net income, return on assets, asset quality indicators, capital ratios, growth rates, and others.

Net income for the year ended December 31, 2024, was \$8.4 million, representing a return on assets of 0.38%, as compared to \$15.4 million or 0.73% for the year ended December 31, 2023. Full-year 2024 net income reflects nearly \$4.9 million in one-time expenses, including certain contract termination charges. Excluding these one-time charges, core operating income was \$11.3 million or 0.51% return on assets.

Net interest margin and related dollars – the Bank's primary revenue source – saw compression as funding costs continued their rise at a faster rate than asset yields, with margin dropping from 2.86% to 2.68% for the year. Net interest income for the year decreased from \$59.9 million to \$58.2 million.

Asset quality remains stable with low levels of delinquency, non-performing loans, and limited provisions for credit losses.

The Bank's non-interest income is derived from service and transaction fees and revenue from wealth management operations. Revenue from wealth management amounted to \$1.2 million, a 14% increase from the previous year, on assets under management of \$266 million.

Non-interest expense amounted to \$53.7 million, an increase of \$7.9 million from 2023, attributable to \$4.9 million of one-time charges noted above, and increases in salaries and benefits of \$2.6 million.

Total assets grew to \$2.24 billion as of December 31, 2024, an increase of \$97.5 million or 4.5% from the previous year end. Growth was driven by an increase in loans of \$102.6 million, with much of the lending in the commercial loan segments – real estate, construction, and condominium associations. During late 2024, the Bank

begin purchasing residential mortgages originated by our affiliate bank, Dedham Savings, with \$17 million in residential loan purchases from Dedham Savings through December 31, 2024.

Asset growth was funded by an increase of \$111.6 million or 6% in deposits, with funds migrating towards higher-rate certificates and money market products.

South Shore Bank remains a well-capitalized institution, with a leverage ratio of 10.36% – up from 10.22% at the previous year end. Risk-based capital of 15.20% is slightly down from last year's 15.73% as risk weighted assets growth was muted by lower earnings.

TOTAL ASSETS  
**\$2.24**  
BILLION

TOTAL DEPOSITS  
**\$1.98**  
BILLION

TOTAL LOANS  
**\$1.55**  
BILLION



# 2024 Community Engagement

WE GAVE BACK:

## \$359,600

Over 120 charitable contributions and events equaling \$359,600

## 1,777 HOURS

Employee volunteering 1,777 hours



### Youth Sports Arts and Culture

- ➔ South Shore YMCA
- ➔ Rodman for Kids
- ➔ South Shore Conservatory



### Food Insecurity, Housing and Health

- ➔ Weymouth Food Pantry
- ➔ South Shore Health System
- ➔ NeighborWorks



### Workforce Development

- ➔ Father Bill's and Mainspring
- ➔ Massasoit Community College
- ➔ Friendship Home
- ➔ Road to Responsibility



## Leadership Programs

Leadership South Shore was established in 2016 by South Shore Bank in partnership with the South Shore Chamber of Commerce. In 2023, Leadership Metro South was established in collaboration with the Metro South Chamber of Commerce, graduating their first cohort in September 2024. These programs select participants from an ever-growing pool of applicants and guide them through a yearlong immersive learning curriculum, resulting in individuals who are committed to transformative leadership within the community.

These thought-provoking programs examine regional challenges and opportunities through expert panel discussions, on-site visits, presentations, focus groups, interactive training, and other innovative, experiential activities. We have produced more than 150 initiative-taking graduates who take the knowledge and networks gained during this program to be involved in their communities and create positive change for our region, its businesses, and residents.



# Executive Management



**James M. Dunphy**  
*President & Chief Executive Officer*



**Jane Bowman**  
*Chief Marketing Officer*



**Daniel W. Brennan**  
*Chief Financial Officer*



**Mark DelCore**  
*Chief Technology Officer*



**Stephen DiPrete**  
*Chief Commercial Banking Officer*



**Victoria Graves**  
*Chief Information Officer*



**John Huether**  
*Chief Risk Officer*



**Victoria Kane**  
*Chief Human Resources Officer*



**Chris McGowan**  
*Chief Information and Data Officer*



**Carolyn Normand**  
*Chief Credit Officer*



**Dan Picha**  
*Chief Banking Operations Officer*

## South Shore Bank Board of Directors

Michael J. Sheehan, Chair  
Suzanne Andrade  
Daniel M. Andrea  
J. Leonard Bicknell, Secretary  
Peter G. Brown  
Jeanean Davis-Street  
James M. Dunphy

James N. Hajjar  
Frank A. Marinelli  
David P. O'Brien  
Marisa A. O'Dwyer  
Joseph C. Sullivan

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*We would like to express our gratitude to our retiring Board members, J. Leonard Bicknell and David P. O'Brien, for their distinguished service to the Bank. Their support for our vision has been invaluable.*

# Our Brand Manifesto: The Soul of Our Brand

As people, we seek togetherness.

We find comfort in connection.

That's what transforms time spent into moments remembered.

But the snapshots of our lives aren't static, because life doesn't stand still.

It moves. It changes. Again and again. Evolving as we grow.

There are always surprises. And new opportunities.

And new people to help shape our journey and share it with.

It's in these shared experiences we find what matters.

And what it means to truly succeed in life.

It's where we discover that it isn't about how much you make  
or how much you save.

Success is about something else.

It's about leaving a mark.

Being a part of a community.

Believing in it. Wanting it to thrive.

It's about inspiring others and having them inspire you.

The moments where success is shared.

That's where we are.

That's where we always will be.

# Wealth Management

For over twenty years, the wealth management division has cultivated meaningful relationships with clients, dedicated to assisting them in achieving favorable financial outcomes. Our experienced team boasts more than a century of combined expertise and oversees \$250 million in assets under management. We offer a full range of investment products and services akin to those provided by national institutions, while delivering the personalized service and expertise you can only find at a local organization.

Investment and insurance products and services are offered through **Osaic Institutions, Inc.**, Member FINRA/SIPC. **Osaic Institutions** and South Shore Bank are not affiliated. Products and services made available through **Osaic Institutions** are not insured by the FDIC or any other agency of the United States and are not deposits or obligations of nor guaranteed or insured by any bank or bank affiliate. These products are subject to investment risk, including the possible loss of value.



## Banking Center Locations

### Braintree

372 Washington Street\*

1010 Washington Street

### Brockton

1280 Belmont Street

### East Bridgewater

225 Bedford Street

### Hanover

283 Columbia Road

### Hingham

99 South Street

### Norwell

400 Washington Street

### Quincy

699 Hancock Street

370 Quincy Ave

### Stoughton

1538 Turnpike Street

### Weymouth

650 Middle Street

1530 Main Street

295 Washington Street

383 Bridge Street

51 Columbian Street\*

1515 Commercial Street\*\*

\*FACE2FACE only

\*\*ATM only

## Full Deposit Insurance

We understand the importance of protecting your assets.

As a member of both the Federal Deposit Insurance Corporation (FDIC) and the Depositors Insurance Fund (DIF), South Shore Bank provides full insurance for its clients' deposits and accrued interest without limit or exception.



Each depositor is insured by the FDIC to at least \$250,000.

All deposits above the FDIC insurance amount are insured by the Depositors Insurance Fund (DIF).



All deposits above the FDIC insurance amount are insured by the Depositors Insurance Fund (DIF). DIF insurance is only available to member savings banks within the Commonwealth of Massachusetts.

