



2023 ANNUAL REPORT

Celebrating 175 Years



MountainOne



Dear MountainOne Community,

In 2023, we proudly celebrated an impressive milestone: MountainOne's 175 Year Anniversary! Our story began on April 26, 1848, when Isaac Hodges, Thomas Robinson, William Brayton, and associates formed and incorporated North Adams Savings Bank, and opened its doors to customers at 86 Main Street in North Adams, Massachusetts. Since then, we have successfully grown to serve our communities with your support. Today, MountainOne Bank is approaching \$1 billion in assets, MountainOne Insurance has offices throughout the Berkshires and recently expanded into Longmeadow, MA, and MountainOne Investments continues to provide diversified investment options and financial advisory services for our customers.

We celebrated this accomplishment alongside our valued Mountaineers, Board members, Corporators, Community Engagement Committees, community partners and longtime friends of MountainOne. We will conclude this celebration at our 175th Annual Meeting on April 10, 2024. On behalf of all of us at MountainOne, thank you for the continued support and business, and we look forward to another 175 years!

2023 in Review

After completing the best financial performance in our company's history during 2022, we began 2023 well positioned for challenging economic conditions.

In mid- March came the unexpected: the failure of Silicon Valley Bank, shortly followed by the Signature Bank and First Republic Bank failures. Lax management oversight and weak risk management practices of fast changing balance sheet conditions brought about by rapid and significant rate increases by the Federal Reserve Bank resulted in deposit runs on these banks. Most concerning was the velocity of the deposit runs because of technology and the increasing influence of social media. Our conservative approach towards managing our balance sheet has allowed us to minimize the negative impact of interest rate changes and these bank failures. We obtained several new, meaningful banking relationships on the South Shore due to the failure of Silicon Valley Bank. Furthermore, we were able to play an important role in our communities settling concerns around the overall stability of the banking system and ensuring the public that these events were isolated, while also reminding customers that all deposits at MountainOne carry excess insurance above and beyond FDIC coverage through our membership in the Massachusetts Depositors Insurance Fund.

Despite these challenges, we managed to have another strong year. We are extremely pleased with MountainOne's 2023 financial results, which include healthy loan growth, good asset quality metrics, an increased profit contribution from MountainOne Insurance, a higher than peer net interest margin, and the continued growth of our capital. In fact, our financial performance exceeded budgeted expectations and we significantly outperformed our peer groups nationally and locally. Our focus on the basics has positioned us well for the challenges and opportunities that lie ahead.

Technology:

In February, we launched a new and improved MountainOne website, allowing for more engaging content, succinct messaging, easier communication, and cleaner navigation. We launched a new Digital Banking platform in October, creating a slick, omni-channel experience across all devices, and enhanced security features. We also upgraded our email platform to Microsoft's Office 365 host environment as we begin to use Microsoft's full suite of Office 365 products to create greater efficiencies moving forward.

Process:

We made a significant investment in improving internal workflows through both internal resources and external vendor partnerships. Highlights include optimizing our use of our mortgage origination management system, as well as the automation of several deposit operations processes to improve overall efficiencies in our Community Banking and Deposit Operations departments.

People:

MountainOne launched a new class for our Emerging Leaders Program (ELP) in 2023. Our ELP provides a meaningful and effective professional development experience for high-potential Mountaineers who have proven the desire and capacity to grow within our organization. It is a vital component of our succession planning efforts as we work to develop the next generation of leadership. We also made a tremendous investment in the training and development of our commercial lending staff including all lenders, portfolio managers, and credit analysts in anticipation of potential disruption in commercial lending markets.

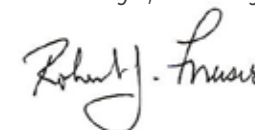
Looking Ahead in 2024:

We are already well into 2024, with a continued focus on business growth through Technology, Process and People. Many strategic initiatives are underway.

- MountainOne Insurance opened the year with the acquisition of the G.W. Morisi Insurance Agency in Longmeadow and a new office in Stockbridge.
- We look forward to rolling out new online account opening capabilities, as well as innovative digital products and services for our personal and business customers.
- A continued emphasis on the training and development of Mountaineers.

We want to thank you as we continue to deliver the best-in-class products and services for our customers; to contribute to a growing, thriving economy for our Berkshire and South Shore communities; and to build upon a positive workplace culture for our Mountaineers.

As always, thank you for your support!



Robert J. Fraser
President & Chief Executive Officer

MountainOne Financial Consolidated Balance Sheets

As of December 31

| | 2023 | 2022 |
|--|------------------------|-------------------|
| | (Dollars in Thousands) | |
| Assets | | |
| Cash and cash equivalents | \$ 17,986 | \$ 17,448 |
| Securities available for sale, at fair value | 135,893 | 140,863 |
| Federal Home Loan Bank stock, at cost | 3,819 | 2,347 |
| Loans held for sale, at fair value | - | 182 |
| Loans: | | |
| Residential real estate | 172,495 | 150,691 |
| Home equity | 24,883 | 23,966 |
| Commercial real estate | 323,898 | 290,161 |
| Construction and land | 121,909 | 102,941 |
| Commercial | 95,143 | 96,639 |
| Consumer | 17,933 | 23,862 |
| Total loans | 756,261 | 688,260 |
| Deferred loan costs, net | 438 | 270 |
| Allowance for credit losses | (9,014) | (12,006) |
| Net loans | 747,685 | 676,524 |
| Premises and equipment | 13,804 | 14,607 |
| Deferred tax asset, net | 9,710 | 10,537 |
| Goodwill and other intangible assets | 9,596 | 10,000 |
| Bank-owned life insurance | 29,009 | 28,630 |
| Other assets | 21,746 | 15,726 |
| Total assets | \$ 989,248 | \$ 916,864 |
| Liabilities and Capital | | |
| Deposits: | | |
| Non-interest-bearing | \$129,017 | \$ 161,724 |
| Interest-bearing | 593,367 | 546,141 |
| Total deposits | 722,384 | 707,865 |
| Federal Home Loan Bank borrowings | 98,406 | 60,588 |
| Subordinated debt | 20,620 | 20,620 |
| Other liabilities | 31,335 | 23,119 |
| Total liabilities | 872,745 | 812,192 |
| Total capital | 116,503 | 104,672 |
| Total liabilities and capital | \$ 989,248 | \$ 916,864 |

MountainOne Financial Consolidated Statements of Income

Years Ended December 31

| | 2023 | 2022 |
|---|------------------------|------------------|
| | (Dollars in Thousands) | |
| Interest and dividend income: | | |
| Loans, including fees | \$ 43,504 | \$ 32,436 |
| Securities | 3,993 | 3,237 |
| Federal funds sold and other | 338 | 212 |
| Total interest and dividend income | 47,835 | 35,885 |
| Interest expense: | | |
| Deposits | 12,581 | 3,538 |
| Federal Home Loan Bank borrowings | 2,833 | 481 |
| Subordinated debt | 914 | 889 |
| Total interest expense | 16,328 | 4,908 |
| Net interest income | 31,507 | 30,977 |
| Provision (benefit) for credit losses | 339 | (2,100) |
| Net interest income after provision (benefit) for credit losses | 31,168 | 33,077 |
| Non-interest income: | | |
| Customer service charges on deposits | 573 | 543 |
| Commissions on insurance and investment products | 15,751 | 16,628 |
| Mortgage banking income | 10 | 168 |
| Other income | 1,616 | 2,134 |
| Total non-interest income | 17,950 | 19,473 |
| Non-interest expenses: | | |
| Salaries and employee benefits | 23,616 | 23,847 |
| Occupancy expense | 2,604 | 2,583 |
| Equipment expense | 672 | 660 |
| Information technology expense | 2,393 | 2,162 |
| FDIC deposit insurance assessments | 414 | 224 |
| Other expenses | 6,987 | 6,747 |
| Total non-interest expenses | 36,686 | 36,223 |
| Income before income taxes | 12,432 | 16,327 |
| Income tax expense | 3,176 | 4,308 |
| Net income | \$ 9,256 | \$ 12,109 |

Trustees of MountainOne Financial Directors of MountainOne Financial, Inc. Directors of MountainOne Bank

| | |
|----------------------|-------------------------|
| James J. Bailey, Jr. | Michael J. Gardner, Jr. |
| Daniel E. Bosley | Dr. Mary K. Grant |
| Noreen Carey-Neville | Antony K. Haynes |
| David W. Crane | Susan S. Hogan |
| Robert J. Fraser | Kevin A. Maguire |

David Moresi
Thomas P. O'Connell
William F. Spence
Karen L. Zink

Corporators

| | |
|----------------------|-------------------------|
| Richard Alcombright | J. Adam Filson |
| Billie Lynn Allard | Brent Filson |
| Paul J Antonik | Robert J. Fraser |
| James J. Bailey, Jr. | Michael J. Gardner, Jr. |
| Adam Bauer | Brice George |
| Ray Belanger, Jr. | Paul Gordon |
| Michael Bellotti | Dr. Mary K. Grant |
| Blair Benjamin | Vincent P. Guntlow |
| Daniel Biggins | Michael Haddad, Jr. |
| James F. Birge | Kevin Hanley |
| Daniel E. Bosley | Paul Hart |
| John Bradley | Anthony K. Haynes |
| James Bunnell | Susan S. Hogan |
| Daniel H. Campbell | Eric Kerns |
| Noreen Carey-Neville | Benjamin Lamb |
| Lynne Carlotto | Shiobbean Lemme |
| David Carver | Kent Lemme |
| Philip Chong | Avril Levesque |
| Paula Clough | Kaitlyn Litchfield |
| David W. Crane | Kevin A. Maguire |
| Stephen G. Crowe | Andrea Mansfield |
| Richard Curtis | Robert Manzella |
| Steven Del Negro | Marcia McFarland |
| Jonathan Denmark | Elizabeth McGraw |
| Suzanne R. Dewey | Robert McGraw |
| Donald R. Dubendorf | Jennifer Meehan |
| Paul R. Dupuis | Joshua Mendel |
| Kristy Edmunds | Amy Moresi |
| William E. Elder | David Moresi |
| Christopher Ernest | Kimberly Nelson |

Thomas P. O'Connell
Francesca Olsen
Steven J. Owens
Charles Perfetuo
Jeffrey Phelps
Gina Puc
Fred Puddester
Michael Quirk
Regina Quirk
Leslie Reed-Evans
Jonathan B. Sabin
Robert J. Scerbo
Graham Shalgian
Matt Sheehy
Eva Sheridan
Anna Singleton
Anthony M. Smeglin
Ben Sosne
William F. Spence
Mark Stiles
Suzanne J. Stinson
Peter Tedeschi
Joseph C. Thompson
Steve Triffletti
Amelia Wachur
Susannah Wells
Susan J. Yates-Mulder
Karen L. Zink

MountainOne Financial, MHC Officers

| | |
|--------------------|-------------------------------------|
| Daniel E. Bosley | Chair |
| Kevin A. Maguire | Vice Chair |
| Robert J. Fraser | President & Chief Executive Officer |
| Steven J. Owens | EVP, CFO, COO, CIO, Treasurer |
| I. Michelle Devine | Corporate Secretary |

MountainOne Investments Officers

| | |
|-----------------|--|
| Robert G. Abel | Senior Vice President, Financial Advisor |
| Kevin Dupuis | Vice President, Operations Manager |
| James E. Durand | Vice President, Financial Advisor & Head of Research |

MountainOne Insurance Officers

| | |
|---------------------|--|
| Jonathan S. Denmark | President & Chief Operating Officer |
| Donna M. Bishop | Senior Vice President, Personal & Commercial Insurance |
| Brian W. Drake | Senior Vice President, Employee Benefits |
| William R. Robinson | Senior Vice President, Sales Manager |
| Linda A. Febles | Vice President, Commercial Insurance |
| Grace J. Gray | Vice President, Customer Service & Claims |
| Eric P. Pratt | Vice President, Bonding Manager |
| Stacy Roman | Vice President, Personal Insurance Manager |
| Kim M. Knights | AVP, Commercial Insurance |
| Deborah Baker | AVP, Personal Lines Insurance |

MountainOne Bank Officers

| | | | |
|-------------------------|---|---------------------|---|
| Robert J. Fraser | President & Chief Executive Officer | Amy Backiel | AVP, Loan Operations Officer |
| Steven J. Owens | EVP, CFO, COO, CIO, Treasurer | Jason Bianchi | AVP, Community Mortgage Lending Specialist |
| Jill K. Amato | SVP, Marketing and Community Banking Officer | Heather Bona | AVP, Assistant BSA Officer |
| Richard W. Bromberg | SVP, IT Director, Information Security Officer | I. Michelle Devine | AVP, Assistant to President & CEO, HR Liaison Officer & Corporate Secretary |
| Richard P. Kelly | SVP, Berkshire County Team Leader Commercial Lending & Senior Commercial Risk Officer | Kelly L. Dubie | AVP, Human Resources Officer |
| Matthew B. Kreiser | SVP, Commercial Lending Officer | Sarah M. Lapworth | AVP, Secondary Market & Mortgage Systems Manager |
| Matthew Lauro | SVP, Commercial Lending Officer | Paula Malloy | AVP, Assistant Controller |
| Linda B. Levesque | SVP, Risk Management Officer & CRA Officer | Jessica A. McGovern | AVP, Executive Commercial Lending Assistant |
| Michael E. MacArevey | SVP, Senior Operations Officer | Lisa J. Mineau | AVP, Senior Human Resources Operations Officer |
| Elizabeth A. Petropulos | SVP, Senior Human Resources Officer | Timothy J. Shepard | AVP, Information Technology Officer |
| Peter Radigan | SVP, Residential & Consumer Lending Officer | Devon E. Stone | AVP, Community Banking Officer |
| Timothy P. Rhuda | SVP, Senior Commercial Lending Officer | Nancy E. Baran | E-Services Officer |
| Kim E. Anderson | VP, Loan Compliance Officer | Ryan Belanger | Network & Systems Officer |
| Alicia A. Benoit | VP, E-Services | Gwenn D. Bishop | Retail Lending Underwriter II |
| Randy T. Burdick | VP, Regional Community Banking Officer | Paula M. Dolan | Loan Compliance Analyst |
| Alice M. Copeland | VP, Underwriting and Processing Manager | Amanda M. Farren | Commercial Credit Analyst II |
| Melissa DaCosta | VP, Commercial Lending Officer | Peter M. Fortier | Facilities & Security Officer |
| Jonathan S. Denmark | VP, Insurance Services | Sherri Kelly | Senior Commercial Credit Analyst |
| Michael Dugan | VP, Commercial Portfolio Manager | Brian Kunz | Risk Management Officer |
| Jennifer A. Field | VP, Controller | Sara L. Argueta | Community Banking Officer |
| Marie A. Harris | VP, Credit Department Manager | Meghan L. Dunphy | Community Banking Officer |
| Elizabeth D. Kapner | VP, Marketing Manager | Erin M. Galvin | Community Banking Officer |
| Jennifer Meehan | VP, Community Engagement Officer | Greg A. Marchion | Community Banking Officer |
| Michael D. Minicucci | VP, Commercial Lending Officer | Erik J. Ray | Community Banking Officer |
| Steven Munger | VP, Commercial Lending Officer | Erica Boulger | Assistant Community Banking Officer |
| Stephanie Scott | VP, BSA/AML/OFAC & Deposit Compliance Officer | Sarah Dougenik | Assistant Community Banking Officer |
| Lucille A. Weare | VP, Branch Operations Liaison/Regional Community Banking Officer | Joni Laze | Assistant Community Banking Officer |
| Jessica J. Andrews | AVP, Deposit Compliance & Fraud Administration Officer | Caitlynn Perry | Assistant Community Banking Officer |
| | | Shelby M Pilling | Assistant Community Banking Officer |
| | | Shannon Rose | Assistant Community Banking Officer |



MOUNTAINONE'S 175 YEAR TIMELINE

MOUNTAINONE IS PROUD TO CELEBRATE OUR 175-YEAR HISTORY WITH OUR MOUNTAINEERS, VALUED CUSTOMERS, AND COMMUNITY.

Did you know that we have deep roots in both the Berkshires and the South Shore? Born in the hills of the Berkshires, MountainOne originally dates back to 1848 with the formation of its very first entity: North Adams Savings Bank. From there, two more community banks, four local insurance agencies, and one financial advisory firm joined the herd.

Despite different beginnings, what truly unifies us today is our shared mission to deliver solutions of real value that help individuals, businesses, and community institutions manage their financial lives with clarity and confidence. MountainOne has grown to employ over 180 Mountaineers across our regions, and offers a full suite of banking, lending, insurance, and investment services to our customers. We are immensely proud of our unwavering commitment to the communities we serve, and we look forward to continuing that work for years and years to come.

Learn all about our exciting 175-year history on the next page. Hey, we look pretty young for our age!



1848 On April 26, 1848, the North Adams Savings Bank is incorporated by Issac Hodges, Thomas Robinson, William E. Brayton, and associates. It is located at 86 Main Street, North Adams.

1868 Rockland Savings Bank is incorporated under the name "East Abington Savings Bank."

1892 Williamstown Savings Bank is chartered in Williamstown, MA, thus meeting the growing need for banking services in North Berkshire County.

1929 The Great Depression begins; thousands of US banks fail during this time, as the money supply and bank lending in the US has declined by more than 30%.

1933 The Banking Act of 1933 is signed into law by President Roosevelt, creating the Federal Deposit Insurance Corporation (FDIC) fund. This Act authorized the FDIC to pay up to \$2,500 to depositors in insured banks that have failed.

1935 Savings bonds, aka baby bonds, are first introduced by President Roosevelt.



1863 President Lincoln signs the National Currency Act of 1863 into law, creating the national banking system and Office of the Comptroller of the Currency.

1867 Stevenson & Company, a family-owned insurance agency, is formed.

1874 East Abington Savings Bank is renamed Rockland Savings Bank following the incorporation of the Town of Rockland.

1927 Crippen & Coakley Insurance Agency, Inc. is formed, later to be known as Coakley, Pierpan, Dolan & Collins Insurance Agency.

1932 Subsequently, the Reconstruction Finance Corporation (RFC) Act of 1932 is signed into law by President Hoover, offering relief to banks and the economy.

1934 In the state of Massachusetts, private, industry-sponsored insurance known as the Deposit Insurance Fund (DIF) is introduced, providing additional protection to depositors at DIF Member banks.



2009 The Great Recession ends in June 2009, making it the longest recession since WWII. During this time, the US enacted the Economic Stimulus Act of 2008 and the American Recovery and Reinvestment Act of 2009.

2002 MountainOne Financial Partners forms as a bank holding company of Hoosac Bank and Williamstown Savings Bank; thus creating an affiliation between the two entities.

1998 North Adams Hoosac Savings Bank changes its name to Hoosac Bank.

Under acting Governor Paul Cellucci, Banks are now allowed to own insurance agencies in the Commonwealth. At the end of 1998 and beginning of 1999, Coakley, Pierpan, Dolan & Collins and True North Financial Services are acquired by Hoosac Bank, becoming the first agencies purchased by a Bank in the Commonwealth.



1942 Ration books are introduced following World War II. Pictured is an actual "Fuel Oil Ration" booklet. from Rockland Savings Bank.

1962 The North Adams Savings Bank and Hoosac Savings Bank merge and become North Adams Hoosac Savings Bank.

2012 January - Hoosac Bank and Williamstown Savings Bank merge, each retaining their brand names.

February - Stevenson & Company, an insurance agency established in 1867, is acquired by Coakley, Pierpan, Dolan & Collins. The two companies continue to operate separately.

June - MountainOne Financial Center opens at the William Stanley Business Park, the former site of General Electric, and both Coakley, Pierpan, Dolan & Collins' and Stevenson & Company move to this location.

December - South Coastal Bank merges into Hoosac Bank, retaining the South Coastal brand name.

2013 All three previously merged entities, Hoosac Bank, Williamstown Savings Bank and South Coastal Bank, officially become and change name to MountainOne Bank, headquartered in North Adams, MA.

Non-banking units owned by Hoosac Bank become divisions of MountainOne.

2017 On January 1, 2017, Coakley, Pierpan, Dolan & Collins and True North Insurance Agency merge and simultaneously rebrand under the name MountainOne Insurance Agency, Inc.

2007 South Coastal Holdings, the holding company of South Coastal Bank, merges with MountainOne Financial Partners, the holding company of Hoosac Bank and Williamstown Savings Bank. MountainOne Financial Partners is the surviving entity.

2022 In January, MountainOne Insurance acquires CIA Insurance Agency dba Cross-Pittsfield, thereby becoming the largest agency in the Berkshires. Cross- Pittsfield was comprised of the former agencies, Colt Insurance and Bardwell, Bowlby & Karam Insurance.

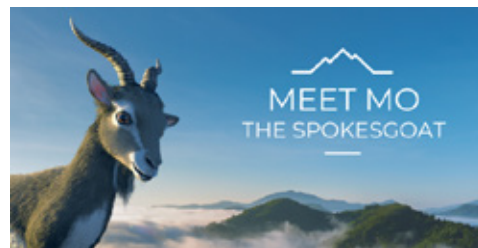
MountainOne reports its most successful year in its history, with record earnings of \$12.0 million, a strong balance sheet, and capital of \$104.7 million.

2000 Rockland Savings Bank changes its name to South Coastal Bank.

1997 True North Financial Services is spun off from the financial services department of Coakley, Pierpan, Dolan & Collins Insurance Agency. Pictured are Linda Levesque (formerly Shepard) and Sue O'Neil, both of whom are current MountainOne employees!



2014 A rebranding process is underway at each bank to fully integrate each bank to the MountainOne brand name.



2019 The MountainOne Brand further evolves with the launch of a new Brand Campaign across all markets; Mo the MountainOne Spokesgoat is created, and introduced to the world.

2023 In September, MountainOne kicks off its 175th anniversary celebrations with an All-Mountaineer Event hosted at the Publick House in Sturbridge, MA. The Company closes its offices early to ensure all Mountaineers across every location and division can attend this milestone event.

2024 In January, MountainOne Insurance expands to Stockbridge, MA with a new location at 31 Main Street; MountainOne Insurance expands to the Pioneer Valley as it acquires G.W. Morisi Insurance, a third-generation, family-owned agency in Longmeadow, MA.

MountainOne's 175th Annual Business Meeting takes place on April 10th, which closes out our 175th Anniversary celebrations.

Our Mission

To deliver solutions of real value that help individuals, businesses, and community institutions manage their financial lives with clarity and confidence.

Our Core Commitments

Asset Quality
Customer Care
Operational Distinction
Professional Development
Regulatory Accountability
Community Engagement



MountainOne is a mutual holding company headquartered in North Adams, MA. Founded in 1848, MountainOne Bank provides a complete array of personal and business banking and electronic services. MountainOne Bank is Member FDIC and Member DIF. MountainOne Insurance provides personal and business insurance, bonding services, and group benefits solutions.

MountainOne Investments offers securities and advisory services through Commonwealth Financial Network®, member FINRA/SIPC, a Registered Investment Adviser. Fixed insurance products and services offered through CES or MountainOne Insurance. MountainOne Investments and MountainOne Bank are not a registered broker-dealer or Registered Investment Adviser. MountainOne Bank and Commonwealth are separate and unaffiliated entities.

Products and services are offered at full-service offices in the Berkshires (Pittsfield, North Adams, Williamstown) and on Boston's South Shore (Quincy, Rockland, Scituate). MountainOne Investments' main office is at 85 Main Street, Suite 100, North Adams, MA 01247. (413) 664-4025

Insurance and Investments are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Funds are subject to investment risks, including possible loss of principal investment.

MountainOne Bank is Member FDIC. Member DIF.  Equal Housing Lender.